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Official Statement



**City of Los Angeles
Public Facilities Corporation**

**\$64,500,000
Leasehold Mortgage Bonds
Issue of 1977**

Mo. 48
Bids to be received on behalf of the Corporation by the City Clerk of the City of Los Angeles on or before 11 A.M., Tuesday, July 26, 1977, at the Office of the City Clerk, Room 395, City Hall, 200 North Spring Street, Los Angeles, California



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CITY OF LOS ANGELES PUBLIC FACILITIES CORPORATION

Ferdinand Mendenhall, *President*

John A. Cinquemani, *Member*

Allen K. Pollock, *Treasurer*

John R. Glass, *Secretary*

Frank Simpson III, *Vice President*

Thomas Bradley, *Mayor of the City of Los Angeles*

THE COUNCIL OF THE CITY OF LOS ANGELES

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John Ferraro, *President Pro Tempore*

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Peggy Stevenson

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Robert Farrell

Louis R. Nowell

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Pat Russell

Zev Yaroslavsky

LOS ANGELES CITY OFFICIALS

C. Erwin Piper, *City Administrative Officer*

Burt Pines, *City Attorney*

Charles Navarro, *City Controller*

Rex E. Layton, *City Clerk*

Robert Odell, *City Treasurer*

PROFESSIONAL SERVICES

O'Melveny & Myers, *Los Angeles*
Bond Counsel

Stone & Youngberg, Inc.
Publ debts Financ LA
Invest. Publ Secur.
Publ bldg. Financ LA

L. W. Davidson & Associates, *Los Angeles*
Architect

Stone & Youngberg Municipal Financing Consultants, Inc., *San Francisco and Los Angeles*
Financing Consultants

Bank of America NT & SA, *Los Angeles*
Trustee

Bankers Trust Company, *New York*

Harris Trust and Savings Bank, *Chicago*
Paying Agents

THE DATE OF THIS OFFICIAL STATEMENT IS JUNE 22, 1977

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Cover: Architect's rendering of the south profile of the Plaza Technical Center.



A westerly view overlooking downtown Los Angeles. The site of the Plaza Technical Center (outlined in white) is seen at the bottom of the photograph, east of Union Station and north of the Santa Ana Freeway. Adjacent to the Santa Ana Freeway in the center of the photograph is the Los Angeles Civic Center Complex containing various city, county, state and federal buildings. Further to the west is the central business district of the City of Los Angeles.

INTRODUCTION

The City of Los Angeles Public Facilities Corporation was incorporated under the laws of the State of California as a non-profit corporation for the purpose of financing the construction of a three-story, 1,284,000 square foot, technical support facility for the City of Los Angeles, to be known as the "Plaza Technical Center."

This facility will provide for the needs of some 22 city departments and bureaus, including shops, warehouses, printing services, garages, equipment repair and other similar services. These functions and related personnel are currently housed in various buildings in several areas of downtown Los Angeles which are either inefficient and/or do not meet present day health or safety standards. It is estimated that, when in operation, approximately 900 permanent employees will be located in the Center and substantial amounts of operating expense will be saved as a result of the consolidations to a central location.

The Bonds being issued by the Corporation at this time should provide the necessary funds for all of the costs related to the Plaza Technical Center (the Facilities).

The Facilities will be subleased to the City of Los Angeles by the Corporation, and the revenues derived from the lease payments will provide the funds for the principal and interest payments on the Corporation's bonds. The Bonds will be secured by a Lease and Sublease with the City (and in the leasehold estate created thereby), under which the City agrees to sublease the Facilities for a period of time (through August 8, 2007), which is beyond the final maturity date of the Bonds. The Sublease will provide for annual lease payments by the City which will be sufficient to provide funds for the annual principal and interest payments of the Bonds (base rent). In addition, the Sublease will provide that the City shall also pay, as a part of the sublease payments, all costs of the operation of the Corporation, including whatever taxes or assessments may be levied upon it (additional rent). So long as the Facilities are available for use and occupancy by the City the obligation to meet the rental payments is an annual charge against the general fund of the

City, for which the City agrees to make annual appropriations in its budget.

To insure prompt payment of the Bonds, the following additional measures have been taken:

1. A bond reserve fund equal to one-half the maximum annual bond service will be established initially from bond proceeds, such fund to be maintained over the life of the Bonds and to be replenished from the revenue fund if drawn upon. In addition, all interest earnings during the construction period, estimated to equal one year's bond service, will be held in the Reserve Fund for and until project completion.

2. The Corporation received firm construction bids for the project on May 18, 1977, and it is anticipated that the construction contract will be awarded on or after July 26, 1977, when bond bids have been received. The contract documents provide for completion of construction within thirty months from the date of award. If construction is not completed within that time, the contractor will be subject to liquidated damages at the rate of \$10,000 per day. A 100 percent performance bond and a 100 percent labor and materialmen's bond are to be posted by the contractor to assure completion.

3. Various types of insurance, including earthquake, extended coverage, public liability and business interruption (in an amount equal to two years' rental) are to be provided.

4. A policy of title insurance, insuring the validity of the Lease and Sublease between the Corporation and the City will also be provided prior to bond delivery.

The exact amount of the annual lease payments (base rent) will be determined after the award of the Bonds to the successful bidder. At that time, the final Lease and Sublease will be executed by the City and the Corporation and the construction contract will be awarded. Construction will begin as soon as possible and it is anticipated that the Facilities will be completed by March 1, 1980.

The City of Los Angeles was incorporated in 1850 and is currently the largest city in California and the third largest in the nation. The City has an estimated population of 2,746,135 and a 1976/77 assessed value of \$11,169,358,117. Preliminary estimates of the 1977/78 tax roll indicate an assessed value of over \$11,835,000,000. Los Angeles has an area of over 460 square miles and a highly diversified economy. The Port of Los Angeles is one of the world's largest seaports and Los Angeles International Airport ranks among the world's largest airports.

THE CORPORATION

Organization

The City of Los Angeles Public Facilities Corporation ("the Corporation") was incorporated under the laws of the State of California as a non-profit corporation and its Articles of Incorporation were filed on January 14, 1976. The Corporation was formed for the primary purpose of financing a technical and support facilities building ("the Facilities") for use by the City of Los Angeles. The Corporation will lease the building site from the City, provide financing for construction of the proposed improvements and, upon completion, sublease the site and the Facilities to the City.

The Corporation functions as an independent organization and its policies are determined by a five-member Board of Directors. A brief description of each member is as follows:

President: Ferdinand Mendenhall is the Vice-President and Editor of the Valley News. He is a long-time resident of Los Angeles County and is a past President of the California Newspaper Publishers Association, a director of the Los Angeles Chamber of Commerce and the Valley Federal Savings and Loan Association. Mr. Mendenhall also is a member of the Board of Counselors of the Graduate School of Business Administration, University of Southern California and the Los Angeles Convention and Exhibition Center Authority Commission.

Member: John A. Cinquemani, presently retired, was the Executive Secretary and a Staff Representative of the Los Angeles Building and Construction Trades Council for over 20 years. He has been a member of a number of boards and committees involving community, governmental, education, cultural and labor affairs. Mr. Cinquemani is currently a commission member of the Los Angeles Convention and Exhibition Authority and the Los Angeles County Health Facilities Authority.

Member: John R. Glass is a real estate broker, specializing in commercial and industrial real estate. He is an active member of the Los Angeles Realty Board and Society of Industrial Realtors. Mr. Glass also serves as a commission member of the Los Angeles Convention and Exhibition Center Authority.

Member: Allen K. Pollock, presently retired, was the manager of the Los Angeles Convention Bureau for over 22 years. He has resided in Los Angeles for over 50 years. Mr. Pollock also serves as a commission member of the Los Angeles Convention and Exhibit Center Authority.

Member: Frank Simpson III is a practicing attorney and a native of Los Angeles. He has been active as a committee member for both the State Bar of California and the American Bar Association. Mr. Simpson served as a commission member of the Los Angeles Convention and Exhibit Center Authority.

Directors serve without compensation and hold office until their respective successors are elected. The Council of the City of Los Angeles has the power to approve or disapprove the election of any director of the Corporation. Officers of the City of Los Angeles or their designees have the right to attend the meetings of the Corporation and make recommendations thereto.

The Articles of Incorporation provide, among other things, that the Corporation shall have the following powers:

1. To incur indebtedness and in connection therewith to issue bonds, debentures, notes or other evidences of indebtedness;
2. To lease any real property owned by the City of Los Angeles to construct or provide for the construction of municipal buildings and facilities thereon, and to sublease such real property as improved to the City of Los Angeles.
3. To assign, transfer, mortgage, convey in trust, pledge and hypothecate the leasehold estate created by any such sublease and the rentals payable to this Corporation under any such lease as security for any such bonds, debentures, notes or other evidences of indebtedness;
4. To construct buildings and facilities or to contract with others for the construction of all or portions thereof; and
5. To exercise any and all rights and powers which a corporation organized under the General

Non-Profit Corporation Law of the State of California may now or hereafter exercise.

Lease and Sublease

The City of Los Angeles Public Facilities Corporation Lease and Sublease has been approved as to form by both the Corporation and the City and will be executed on behalf of each after bond bids have been received but before the Bonds are delivered.

The ground lease section of the document provides that the site for the proposed Plaza Technical Center which is owned by the City, will be leased to the Corporation for a period of time commencing on the date of execution and ending one week after the end of the term of the sublease of the improved site to the City.

The Corporation will award the contract for construction of the improvements on the basis of base construction bids received May 18, 1977. Construction will proceed when the Bonds have been delivered.

The term of the Lease and Sublease will commence upon completion of construction and the availability of occupancy of the Project by the City. Based upon construction bids received on May 18, 1977, completion is expected to occur by March 1, 1980. Under the terms of the Lease and Sublease the City is obligated to pay a pro rated rent for the use of the Facility during the remainder of the fiscal year ending June 30, 1980.

Once the obligation to pay rent has commenced the terms of the Lease and Sublease require the City to pay to the Trustee on or before July 15 of each year a base rental payment sufficient to pay the semi-annual bond interest due on February 1 and August 1 and the principal or mandatory sinking fund payments due on August 1 of the subsequent calendar year.

The City is required to pay additional rent above the annual base rental payments for additional expenses including: (1) all taxes and assessments, if any, (2) insurance premiums, and (3) all administrative costs of the Corporation pertaining to the Facilities.

The City is obligated to occupy the Facilities and is entirely responsible for payment of all costs of maintaining and operating the Facilities. During the term of the Sublease, the City has the right to make additions or improvements to the Facilities with the written consent of the Corporation.

The Lease and Sublease provides for the maintenance of such insurance as may be required by the City or by the Indenture (see the caption "Insurance Provisions"). In the event of destruction or condemnation of all or a part of the Facilities, the Corporation may use the insurance or condemnation proceeds to replace the Facilities or to redeem the Bonds. The latter option is available only with the City's consent if the proceeds are sufficient to replace the Facilities. During the period of reconstruction, proceeds of rental interruption insurance will be applied to the payment of bond interest and principal for a maximum of two years. The proceeds of any award in the event of condemnation, unless such condemnation will not impair the use of the Facilities, will be used to redeem the Bonds (see the caption "Redemption Provisions"). Any surplus remaining after redemption of the Bonds or reconstruction of the Facilities will be transferred to the City.

Events of Default and Remedies

The Lease and Sublease declares each of the following events to be an Event of Default: (1) failure by the City to pay any rental payable under the Lease and Sublease within 15 days from the date such rental is payable; (2) failure of the City to observe or perform any covenant or condition of the Lease and Sublease for a period of 25 days after written notice thereof from the Corporation to the City; (3) abandonment or vacation by the City of the Project; and/or (4) assignment by the City of its interest in the Lease and Sublease without the written consent of the Corporation.

If the City should, after notice, fail to remedy any default within 30 days of such notice, the Corporation may then, at its option (i) terminate the Sublease without terminating the Ground Lease and

reenter the premises and eject all parties in possession therefrom; and (ii) reenter the premises and eject all parties therefrom and without terminating the Sublease relet the premises as agent for the account of the City.

Should the City default and fail to remedy any default, the Corporation has the right to terminate the Sublease and reenter the premises or, without terminating the Sublease, reenter and relet the premises as the agent of and for the account of the City. Upon payment or provision for payment of the Bonds, title to the Plaza Technical Center will vest in the City.

The foregoing provisions may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights.

Under existing California law, the Corporation, in the event of default by the City, would have no right to accelerate the lease payments.

A copy of the Lease and Sublease is included with the Basic Legal Documents accompanying this Official Statement.

The Trustee

The Bank of America N.T. & S.A. has been appointed Trustee pursuant to an Indenture of Mortgage and Deed of Trust. The Trustee will receive all of the bond proceeds and will disburse bond moneys in conformity with the Indenture. In addition to holding and administering the various funds of the Corporation, the Trustee will invest the funds held in trust and will be the recipient of all revenues of the Corporation. The Trustee will also act as paying agent of the Corporation, paying bond principal and interest. The Trustee will act as bond registrar and will authenticate all registered bonds.

THE BONDS

Authority for Issuance

The \$64,500,000 City of Los Angeles Public Facilities Corporation Leasehold Mortgage Bonds, Issue of 1977 (the Bonds), are to be issued in accordance with the terms of an Indenture of Mortgage and Deed of Trust (the Indenture), dated as of August 1, 1977, from the Corporation to the Bank of America N.T. & S.A., as Trustee.

The Bonds are to be secured by a Lease and Sublease between the City of Los Angeles and the Corporation (and a lien upon the leasehold estate created thereby), in which the City agrees to occupy and maintain the Facilities, while making annual rental payments to the Corporation in amounts sufficient to pay bond principal and interest and other necessary costs of operation of the Corporation in connection with the Facilities. The exact amount of the base rental payments will be established subsequent to the determination of the net interest rate the Bonds will bear.

The City of Los Angeles Public Facilities Corporation Leasehold Mortgage Bonds, Issue of 1977, described in this Official Statement, are being issued to finance all authorized costs connected with the construction of the proposed Plaza Technical Center.

A copy of the Indenture is included with the Basic Legal Documents which accompany this Official Statement.

Sale of Bonds

Sealed bids for the Bonds will be received by the City Clerk of the City of Los Angeles on behalf of the Board of Directors of the Corporation at 11:00 A.M., Tuesday, July 26, 1977, at the Office of the City Clerk, Room 395, City Hall, 200 North Spring Street, Los Angeles, California, and the Bonds will be awarded to the best bidder at a meeting of the Board of Directors later the same day. Details of the terms of sale are included in the Official Notice Inviting Bids adopted by the Board of Directors on

June 22, 1977, a copy of which (together with the Bid Form) accompanies this Official Statement.

Upon determination of the best bid, the City, the Corporation and the Trustee will execute the Lease and Sublease and the Corporation and Trustee will execute the Indenture.

Description of the Bonds

The \$64,500,000 principal amount of City of Los Angeles Public Facilities Corporation Leasehold Mortgage Bonds, Issue of 1977, will be dated August 1, 1977, and will be initially issued as coupon bonds in the denomination of \$5,000 each, numbered in a manner to be determined by the Trustee, exchangeable for fully registered bonds without coupons in denominations of \$5,000, or any multiple thereof. Bonds mature on August 1, in the following years and in the amounts indicated.

SCHEDULE OF MATURITIES

Year	Principal Amount	Year	Principal Amount
1981 .	\$ 930,000	1990 .	\$ 1,650,000
1982 .	1,000,000	1991 .	1,760,000
1983 .	1,060,000	1992 .	1,870,000
1984 .	1,130,000	1993 .	2,000,000
1985 .	1,210,000	1994 .	2,130,000
1986 .	1,290,000	1995 .	2,260,000
1987 .	1,370,000	1996 .	2,410,000
1988 .	1,460,000	1997 .	2,570,000
1989 .	1,550,000	2007 .	36,850,000

The \$36,850,000 of Bonds maturing in 2007 are Term Bonds, and minimum term bond payments are required in order to assure their redemption and payment before and at maturity.

Interest is payable semiannually on February 1 and August 1 of each year. Both principal and interest on coupon bonds are payable at the Corporate Agency Division of the Bank of America N.T. & S.A., Los Angeles, California, or at paying agents for the Corporation in Chicago, Illinois or New York, New York. Principal and interest on fully registered bonds are payable only at the offices of the Trustee in Los Angeles, California.

Minimum Term Bond Payments

In order to provide for the payment of the \$36,850,000 Term Bonds maturing August 1, 2007, the Indenture provides that beginning on January

15, 1998, and each January 15 thereafter, revenues will be transferred to the Sinking Fund in amounts sufficient to call and redeem the following principal amount of Term Bonds on August 1 of each year as follows without premium.

MINIMUM TERM BOND PAYMENTS

August 1 Year	Minimum Amount	August 1 Year	Minimum Amount
1998 ..	\$2,730,000	2003 ..	\$3,740,000
1999 ..	2,910,000	2004 ..	3,980,000
2000 ..	3,100,000	2005 ..	4,240,000
2001 ..	3,300,000	2006 ..	4,520,000
2002 ..	3,510,000	2007 ..	4,820,000

Redemption Provisions

In the event of loss of, or substantial damage to, or condemnation of the Facilities which render them unusable, all or any part of the Bonds may be redeemed at any time by the payment of the principal and accrued interest.

Serial Bonds maturing on or prior to August 1, 1987 are not subject to call and redemption prior to their fixed maturity date except as provided above. Serial Bonds maturing on or after August 1, 1988 to and including August 1, 1997, a principal amount of \$19,660,000, are subject to call and redemption at the option of the Corporation as a whole or in part on August 1, 1987, or on any interest payment date thereafter, upon payment of a redemption price equal to the principal amount thereof together with accrued interest thereon, plus a premium equal to one-fourth of one percent of the principal amount thereof for each 12 months period or fraction thereof from the redemption date to the maturity date of the Bonds, but in no event shall the premium exceed two and one-half percent. No Serial Bonds can be called for redemption until all of the Term Bonds have been redeemed or called for redemption.

The \$36,850,000 principal amount of Term Bonds maturing August 1, 2007, are subject to call and redemption at the option of the Board, as a whole or in part, by lot, on any interest payment date beginning August 1, 1987 at a redemption price equal to the principal amount and accrued interest to the redemption date, plus a premium based on the date of redemption as set forth as follows and beginning August 1, 1998 in part, by lot (without premium), as a result of mandatory redemption.

REDEMPTION DATES AND PREMIUMS

On or After August 1	And Prior to August 1	Premium
1987	1998	3 %
1998	1999	1½
1999	2000	1¼
2000	2001	1
2001	2002	½
2002	2003	¼
2003	Maturity	0

Notice of redemption is to be published in a daily newspaper of general circulation or daily financial journal, published in the City of Los Angeles, California, and in The City of New York, New York, not less than 30 days prior to the redemption date. The Trustee is required to give written notice to the owners of any registered bonds and to the original purchasers of the Bonds.

Plaza Technical Center Fund

Prospective bondholders are advised that at the time the City finalized its plans to proceed with the Plaza Technical Center Project, the City's Administrative Officer recommended, and the City Council, by action on November 25, 1975, provided for a special fund known as the Public Facilities Trust Fund.

While it is presently the intent of the City that the Fund will be utilized in the following described manner, there is no mandatory requirement or assurance that this will occur. *In fact, moneys contained in the Fund may actually be utilized, in whole or in part, for any City purposes.*

A total of \$5.2 million was appropriated to the Fund in 1976/77 and an additional \$5.2 million is included in the 1977/78 budget of the City. In all, it is intended that a total of \$20,800,000 will be placed in the Fund prior to the time of the commencement of the City's rent liability under the Lease and Sublease which is expected to occur on July 15, 1980.

The Fund is to be continuously invested and at the earliest call date of the Bonds (August 1, 1987) it is the present intention of the City that the Fund will be utilized to effect by call, the redemption of as many of the Bonds as the balances therein will permit. After August 1, 1987, the Trustee will continue to call or purchase the Bonds from the Bond Redemption Fund from transfers from the Revenue

Fund which amounts will be the difference between the bond service on the then outstanding Bonds and the estimated base rent of \$5,130,750 per year. Based upon continued deposits to the Fund in 1978/79 and 1979/80 of \$5,200,000 annually and an investment return estimated at five percent per annum, it is estimated that the Fund, on August 1, 1987, will total \$32,870,000, permitting the call of approximately \$31,895,000 of Bonds, including premiums. In all, it is estimated that all of the Bonds would be retired either by regular maturity or by call on February 1, 1993.

Registration

The Bonds are to be issued initially as coupon bonds, exchangeable for fully registered bonds, as set forth in the Indenture.

Legal Opinion

The approving opinion of O'Melveny & Myers attesting to the validity of the Bonds will be supplied free of charge to the original purchaser of the Bonds. A copy of the legal opinion will be printed on each Bond without charge to the purchaser. (See the caption "Closing Papers").

The statements of law and legal conclusions set forth in this Official Statement under the heading "The Bonds" (other than the subcaption "Tax Rate Limitations.") and "The Corporation" have been reviewed by bond counsel. Bond counsel's employment is limited to a review of the legal procedures required for the authorization of the Bonds and to rendering an opinion as to the validity of the Bonds and the exemption of interest on the Bonds from income taxation. The opinion of bond counsel will not consider or extend to any documents which bond counsel did not prepare or review or to any agreements, representations, offering circulars or other material of any kind concerning the Bonds not mentioned in this paragraph.

Tax Exempt Status

The Corporation has obtained a tax ruling from the Internal Revenue Service that provides that interest on the Bonds is exempt from income taxes of the United States of America under present Federal income tax laws.

Such interest is also exempt from personal income taxes of the State of California under present state income tax laws.

Eligibility for National Banks

A request has been made to the Comptroller of the Currency for a ruling that the Bonds of the Corporation are eligible for purchase, dealing in, underwriting and unlimited holding by national banks. The ruling is expected prior to the date of sale of the Bonds.

Sale of Bonds in States Other than California

A Blue Sky Survey, is included with the documents accompanying this Official Statement, and indicates the states in which the Corporation has or will make filings to qualify the Bonds for offer or sale.

Purpose of Issue

Proceeds received from the sale of the City of Los Angeles Public Facilities Corporation Leasehold Mortgage Bonds, Issue of 1977 will be used for the construction and financing of a technical and support facilities building to serve the City of Los Angeles, as described in this Official Statement in the section entitled "The Project".

Security

Bond principal and interest coming due each year are payable from annual base rental payments by the City of Los Angeles for use of the Facilities. Under the terms of the Lease and Sublease the City agrees to pay for the account of the Corporation an annual fixed base rental to the Trustee, in an amount determined to be sufficient to pay bond principal and interest, plus additional rental in an amount sufficient to meet other necessary expenses of the Corporation. The City has agreed to make appropriations in its annual budget for the amount of the base rental and a reasonable estimate of additional rental. The City expects to meet its rental payments from various general fund revenues.

Tax Rate Limitations

Under legislation enacted by the California Legislature, which became effective January 1, 1973, the maximum tax rate which may be levied by cities, except for voter-approved increases and for taxes to meet debt service and certain other obligations (such as employee retirement), is limited to the tax rate for the 1972/73 fiscal year. This tax rate was \$1.275 per \$100 assessed valuation. The City's tax rate per

\$100 assessed valuation for purposes other than debt service for the 1976/77 fiscal year is \$2.6458.

The City is presently obligated to pay \$2,774,000 annually to the Parking Authority of the City of Los Angeles for use of the Los Angeles Mall. This rent obligation is equivalent to a 2.48¢ tax rate on the City's 1976/77 assessed valuation of \$11,169,358,117, exclusive of revenues derived from the Mall.

The City is also obligated to pay \$2,393,405 annually to the Los Angeles Convention and Exhibition Center Authority for use of the Los Angeles Convention Center. This rent obligation is equivalent to a 2.14¢ tax rate on the City's 1976/77 assessed valuation, exclusive of revenues derived from the operation of the Convention Center.

The full annual rent obligation for the Bonds, which will be due July 15, 1980, is estimated at \$5,130,750.

Other sources of revenue are available to the City in the form of continual increases in sales taxes and franchise taxes. Additionally annual rental payments could be met from reducing or reallocating other expenditures financed from the City's general fund.

The Bonds are not a debt, liability or obligation of the City of Los Angeles. The obligation of the City to pay each year's rental during the term of the Lease and Sublease may be limited by bankruptcy, insolvency and other laws affecting the enforcement of creditors' rights. Under present bankruptcy laws, the obligation of the City to pay rent can be disavowed with a one year rent payment due as damages. The rentals payable by the City will constitute the primary source of funds to the Corporation for payment of the Bonds. Such annual rentals will be payable only from revenues of the City legally available in the fiscal year in which such rent falls due, which, at present, comprise the General Fund.

Pursuant to existing legislation (the Property Tax Relief Act of 1972, Chapter 1406, Statutes 1972 and Chapter 358, Statutes 1973), the City of Los Angeles may not impose a tax rate in excess of \$1.2750 per \$100 of assessed valuation without a vote of the electorate, subject to the following adjustment:

(1) The maximum property tax may be adjusted for annual percentage change in population plus percentage change in the cost of living as compared with the percentage change in the assessment roll as provided pursuant to Section 2266 of the Revenue and Taxation Code.

(2) Additional property tax rates or tax overrides may be imposed for the following purposes pursuant to Section 2270 and 2271 of the Revenue and Taxation Code:

- (a) All interest and redemption on general obligation bonds.
- (b) Retirement and pension benefits provided pursuant to laws approved by the voters.
- (c) Payments or contributions which are required to be made to a special fund by charter provision.
- (d) Costs mandated by the Federal Government or costs mandated by courts which are not funded by Federal or State governments.

During this current fiscal year, 1976/77, the tax rate for the City as adjusted for comparative purposes is \$1.1958 per \$100 of assessed valuation. The legal maximum in compliance with the above legislation was determined by the City Controller's office to be \$1.4126 per \$100 of assessed valuation, indicating a margin of \$.2168 per \$100 of assessed valuation which would have yielded approximately \$21.2 million in taxes this year.

Creation of Special Funds

The Indenture provides for the establishment of special trust funds, all to be held and administered by the Trustee. These funds, together with their sources and uses are listed on the following page. Moneys held in the various funds may be invested by the Trustee under the provisions of Sections 501 and 703 of the Indenture, subject, however, to the arbitrage limitations provided in Covenant 22 of the Indenture.

Disposition of Bond Proceeds

The Indenture provides that the proceeds from the sale of the Bonds shall be deposited with the Trustee. The Trustee will then make the following allocations:

1. To the Administrative Expense Account, the sum of \$25,000.
2. To the Reserve Fund an amount equal to one-half the maximum annual debt service.
3. To the Interest During Construction Account, an amount, equal to the first 36 months' interest on the Bonds, including accrued interest and premium, if any.
4. To the Construction Fund all remaining proceeds of the bond issue.

Funds	Source	Use
Reserve Fund (Section 606)	Bond Proceeds and Rental Revenue Fund	Bond principal and interest
Construction Fund (Section 501)	Bond Proceeds	Cost of project
Interest During Construction Account (Section 501)	Bond Proceeds	First thirty-six months' interest on bonds
Rental Revenue Fund (Section 601) ...	City Rent Payments	Required transfers to various funds, and/or other specified purposes
Debt Service Fund (Section 603)	Transfers from Rental Revenue Fund	Bond principal and interest and Sink- ing Account payments
Administrative Expense Account (Section 605)	Transfers from Rental Revenue Fund	Corporation operating expenses
Bond Redemption Fund (Section 604) ..	Transfers from Rental Revenue Fund	Call and redemption of bonds, changes, alterations or additions to the project, or reimbursement of any base rent or additional rent previously paid by the City

Deposit and Application of Revenues

All revenues of the Corporation pertaining to the Facilities, as defined in the Indenture, are pledged to the punctual payment of the bonds and the interest thereon. All such revenues will be immediately deposited with the Trustee, who shall credit the monies to the Rental Revenue Fund. All moneys in the Rental Revenue Fund are to be set aside and deposited in the following order of priority and are to be withdrawn from the special funds only for the purposes set forth.

1. Debt Service Fund—On January 15 of each year, commencing on January 15, 1981, the Trustee shall transfer to the Debt Service Fund an amount sufficient, together with any balance then on hand, to pay the principal and interest becoming due on the Bonds in the next succeeding 12 months. Beginning January 15, 1998 the Trustee shall make the required transfers to the Sinking Account within the Debt Service Fund to retire the Term Bonds in accordance with the Indenture.

2. Administrative Expense Account—On January 15, of each year, commencing on January 15, 1981, the Trustee shall transfer to the Administrative Expense Account such amounts as the Corporation shall certify to the Trustee are necessary for the payment of administrative expenses of the Corporation during the ensuing 12 months period.

3. Reserve Fund—On January 15, of each year, commencing on January 15, 1981, after the above

requirements have been fulfilled, the Trustee shall transfer to the Reserve Fund such amount as may be necessary to restore the Reserve Fund to the required balance (one-half maximum annual Debt Service). Moneys in the Reserve Fund shall be used solely for the purpose of paying the principal and interest on the Bonds in the event that the moneys in the Debt Service Fund are insufficient for this purpose, and whenever withdrawn, must be replenished. Moneys in the fund may be used to retire the last outstanding bonds of the issue. Excess moneys are transferred to the Rental Revenue Fund.

4. Bond Redemption Fund—Any amounts remaining in the Rental Revenue Fund after making the required deposits in the funds listed above, shall after each February 15 be deposited in the Bond Redemption Fund and used (1) to make up any deficiency which may occur in the deposits to be made to the Debt Service Fund, Reserve Fund, or Administrative Expense Account, (2) to reimburse the City for any rent or additional rent previously paid, (3) to purchase or redeem bonds in accordance with the terms of the Indenture, and (4) to be used for changes, alterations and additions to the Project.

Additional Bonds

The Corporation, in Section 801 of the Indenture, covenants that no additional indebtedness with a priority over the Bonds may be created. Additional Bonds may be issued on a parity with the Bonds,

subject to the following conditions, as specified by Sections 301 and 302 of the Indenture.

1. The additional bonds must be authorized and issued to finance completion or expansion of the project and must be declared by the Corporation, to be necessary for that purpose.

2. The Corporation must be in compliance with all covenants of the Indenture.

3. The additional bonds must be equally and ratably secured with all other bonds issued under the Indenture.

4. The additional bonds must mature on August 1 and bear interest payable on February 1 and August 1 each year.

5. The Corporation must have entered into a revised Lease and Sublease with the City in which the City obligates itself to increase the base rental under such lease by an amount sufficient to provide for the payment of the additional principal and interest.

6. The Reserve Fund must be increased, if necessary, so that it is equal to at least one-half maximum annual bond service on the outstanding bonds and the additional bonds.

7. Prior to the issuance of additional bonds, the Corporation must file any supplemental resolution and other documents specified in Section 302 with the Trustee.

The Indenture provides that no refunding bonds may be issued by the Corporation unless the City has obligated itself to make annual base rental payments sufficient for the Corporation to meet principal and interest payments on the bonds which will be outstanding after the refunding.

Insurance Provisions

In Section 801 of the Indenture, the Corporation covenants that it will maintain or cause to be maintained the following insurance protection, if such insurance is available on the open market from reputable insurance companies at reasonable costs:

1. (a) against loss or damage to the property resulting from fire, lightning, and other perils ordinarily defined as "extended coverage" in amounts, if available, not less than the full insurable value of the properties as defined in the Indenture or the amount of the Corporation's outstanding bonds, whichever is less (with deductible provisions not to exceed \$50,000); (b) against war risks, as and when such insurance is obtainable from reputable insurance companies of the United States of America, in an

amount not less than 80 percent of the then full insurable value thereof; (c) against loss or damage from sprinkler system leakage; (d) against explosion of steam boilers and similar pressure vessels; and (e) against earthquake, if such insurance is available on the open market from reputable insurance companies, either by a policy in an amount not less than the full insurable value of the properties, subject to a deductible amount of not more than 15 percent of the face value of the insurance for any one loss which is less than the face amount of the policy, or by a separate policy in the amount of the Corporation's outstanding bonds of this issue, if less than the full insurable value.

2. To maintain or cause to be maintained use and occupancy or rental income insurance against fire, lightning and such other perils ordinarily defined as "extended coverage" in an amount of not less than two years' base rental under the Lease and Sublease.

3. To maintain or cause to be maintained public liability and property damage insurance of not less than \$10,000,000 combined single limit bodily injury and property damage.

4. To maintain or cause to be maintained workers' compensation insurance for all persons employed in connection with the Facilities.

Additional Covenants

The Indenture contains covenants including, but not limited to the following, in which the Corporation agrees:

1. To punctually pay principal and interest of the Bonds as they become due.

2. To construct and complete the Facilities in conformity with the construction contract.

3. Not to mortgage, encumber, sell, lease, place a charge on or otherwise dispose of the Facilities or the revenues therefrom and not to enter into any agreement which impairs the operation of the Facilities or otherwise impairs the rights of the bondholders with respect to the revenues or operation without making adequate provision to protect the rights of bondholders.

4. To pay, discharge, or contest any lawful claims and any taxes, assessments, or other governmental charges upon the Project or the revenues which might impair the security of the Bonds.

5. To keep proper books of record and accounts and annually, within 120 days after the end of each annual accounting, detailed certified audits covering the operation of the Corporation, showing revenues,

expenses, insurance in force, and the status of each fund.

6. To maintain or cause the Project and all buildings and equipment to be maintained in good repair.

7. If for any reason the Corporation should operate the Project, to fix and collect charges sufficient to pay bond principal and interest when due, to pay all operation and maintenance expenses and to maintain the special funds provided for in the Resolution.

8. Not to consent to alteration of the Lease and Sublease unless the Trustee determines it will not adversely affect the bondholder's rights, or that it is necessary for the issuance of additional bonds pursuant to the Indenture, or unless consent is obtained from holders of 60% of the outstanding bonds.

9. To maintain or cause to be maintained and to keep in good repair, the Facilities and all equipment.

10. Not to invest moneys credited to the various funds established under the Indenture in a manner which would result in the Bonds constituting taxable "arbitrage bonds" within the meaning of Section 103(c) of the Internal Revenue Code of 1954, as amended by Section 601(a) of the Tax Reform Act of 1969 (83 Stat. 656), any subsequent amendments, and the Income Tax Regulations issued thereunder.

Events of Default and Remedies

The Indenture declares each of the following events to be an Event of Default: (1) failure to pay the interest, principal or redemption price of any of the Bonds when due and payable; (2) subject to limitations in the Lease and Sublease, failure to carry out the construction of the Facilities; (3) failure by the Corporation in the performance or observance by it of any of the covenants, agreements or conditions contained in the Indenture or in the bonds continuing for a period of 60 days after written notice of such failure to the Corporation by the Trustee; (4) insolvency or the filing of a petition in bankruptcy by the Corporation; (5) an order, judgment or decree entered by a court of competent jurisdiction, appointing without the consent of the Corporation, a receiver of the Corporation or of the property covered by the Lease and Sublease, if such custody shall not be terminated or stayed within 60 days from the date of such appointment; (6) an order, judgment or decree by a court of competent jurisdiction approving a petition in bankruptcy filed against the Corporation if such order, judgment or decree shall not be terminated or stayed within 60 days from the date of entry of such order, judgment

or decree; (7) the assumption by a court of competent jurisdiction of the custody or control of the property covered by the Lease and Sublease on behalf of or for the relief or aid of debtors and such custody or control shall not be terminated within 60 days from the date of assumption of such custody or control; (8) failure by the City to make the payments of the rentals required by the Lease and Sublease; (9) filing by the City of any petition or the institution of any proceedings in bankruptcy or the filing of any petition or the institution of any proceedings to discharge the City from any of its debts or obligations or offers to creditors of the City to effect a composition or extension of time to pay the City's debts or seek a reorganization or readjustment of the City's debts or any other similar relief.

In the event of default, the Trustee may, and at the written request of the holders of not less than 20% aggregate principal amount of Bonds at the time outstanding must, declare the principal of all the Bonds then outstanding and the interest thereon to be due and payable immediately.

In addition, in the case of an Event of Default, the Trustee in its discretion may, and upon written request of not less than 20% of the holders of the Bonds then outstanding and upon being indemnified to its satisfaction therefor must, proceed to protect or enforce its rights or the rights of the bondholders by whatever appropriate judicial proceeding or proceedings the Trustee deems most effectual.

In the event that the Trustee, upon the happening of an Event of Default, shall have taken some action it shall have the full power, in the exercise of its discretion, to continue, discontinue, withdraw, compromise, settle or otherwise dispose of such action unless, if the Event of Default is still in existence, there has been filed with it the written request signed by the holders of at least 20% of the Bonds outstanding opposing such continuance, discontinuance, withdrawal, settlement or other disposal of such litigation.

The foregoing provisions may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights.

Supplemental Indentures

The Corporation and the Trustee may enter into supplemental indentures without the consent of the bondholders for the following purposes:

(1) To cure any ambiguity or former defect or omission contained in the Indenture or in any

supplemental indenture if such shall not adversely affect the interests of the bondholders; or

(2) To grant to or confer upon the Trustee for the benefit of the bondholders any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the bondholders or the Trustee; or

(3) To authorize the issuance of additional Bonds, and to provide the terms and conditions under which such Bonds may be issued subject to and in accordance with the provisions of the Indenture.

The Indenture and the rights and obligations of the Corporation and of the holders of the Bonds and the coupons issued thereunder may be modified or amended at any time with the consent of the holders of not less than 60% in aggregate principal amount of the bonds at the time outstanding; provided, however, that no such modification or amendment shall, without the express written consent of the holder or registered owner of the Bond affected, extend the fixed maturity of any Bond or reduce the rate of interest thereon or extend the time of payment thereof, or reduce any premium payable upon the redemption thereof or reduce the aforesaid percentage of holders of Bonds whose consent is required for the execution of such supplemental indenture or extend the time of payment or reduce the amount of any sinking fund payment, or permit the creation of any lien on the Rental Revenue prior to or on a parity with the lien of the Indenture except as authorized thereunder and under the Lease and Sublease or deprive the bondholders of the lien created by the Indenture upon the Rental Revenue.

Title Insurance

A policy of title insurance, in the principal amount of the Bonds, with a lender's leasehold endorsement insuring the validity of the Lease and Sublease will be obtained at or prior to the delivery of the Bonds.

Closing Papers

Each proposal for the purchase of the Bonds will be understood to be conditioned upon the Corporation furnishing to the purchaser, without charge, concurrently with payment for and delivery of the Bonds, the following closing papers, each dated the date of such delivery:

(a) *Legal opinion*—The opinion of O'Melveny & Myers of Los Angeles, California, Bond Counsel for the Corporation, approving the validity of the Bonds and stating that interest on the Bonds is exempt from income taxes of the United States of America under present federal income tax laws, and that such interest is also exempt from personal income taxes of the State of California under present state income tax laws.

A copy of the opinion of O'Melveny & Myers, certified by an officer of the Corporation by facsimile signature, will be printed on the back of each Bond. No charge will be made to the Purchaser for such printing or certification.

(b) *Arbitrage Certificate and Opinion of Counsel*—A certificate of an officer of the Corporation and an appropriate official of the City that on the basis of the facts, estimates and circumstances in existence on the date of issue, it is not expected that the proceeds of the Bonds will be used in a manner that would cause the Bonds to be arbitrage bonds. In addition, an opinion of counsel with respect to the foregoing certificate will be furnished.

(c) *No-Litigation Certificate* — A certificate signed by an officer of the Corporation that there is no litigation threatened or pending affecting the validity of the Bonds.

(d) *Signature Certificate*—A certificate of the officers and representatives of the Corporation, showing that they have signed the Bonds, whether by facsimile or manual signature, and that they were respectively authorized to execute the same.

(e) *Receipt*—The receipt of the Corporation showing that the purchase price of the Bonds, including interest accrued to the date of delivery thereof, has been received by the Corporation.

(f) *Certificate Re Official Statement*—A certificate of an officer of the Corporation and an appropriate official of the City to the effect that at the time of sale of the Bonds and at all times subsequent thereto up to and including the time of delivery of the Bonds, the Official Statement did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

ESTIMATED ANNUAL BOND SERVICE

Table 1 presents an illustration of the annual bond service based on an estimated annual interest rate 6½ percent. On the basis of this schedule, the annual rental will amount to \$5,130,750, but the actual City annual base rental payment will be established after bond bids are received. Construction of the Facilities is expected to be completed by March 1, 1980.

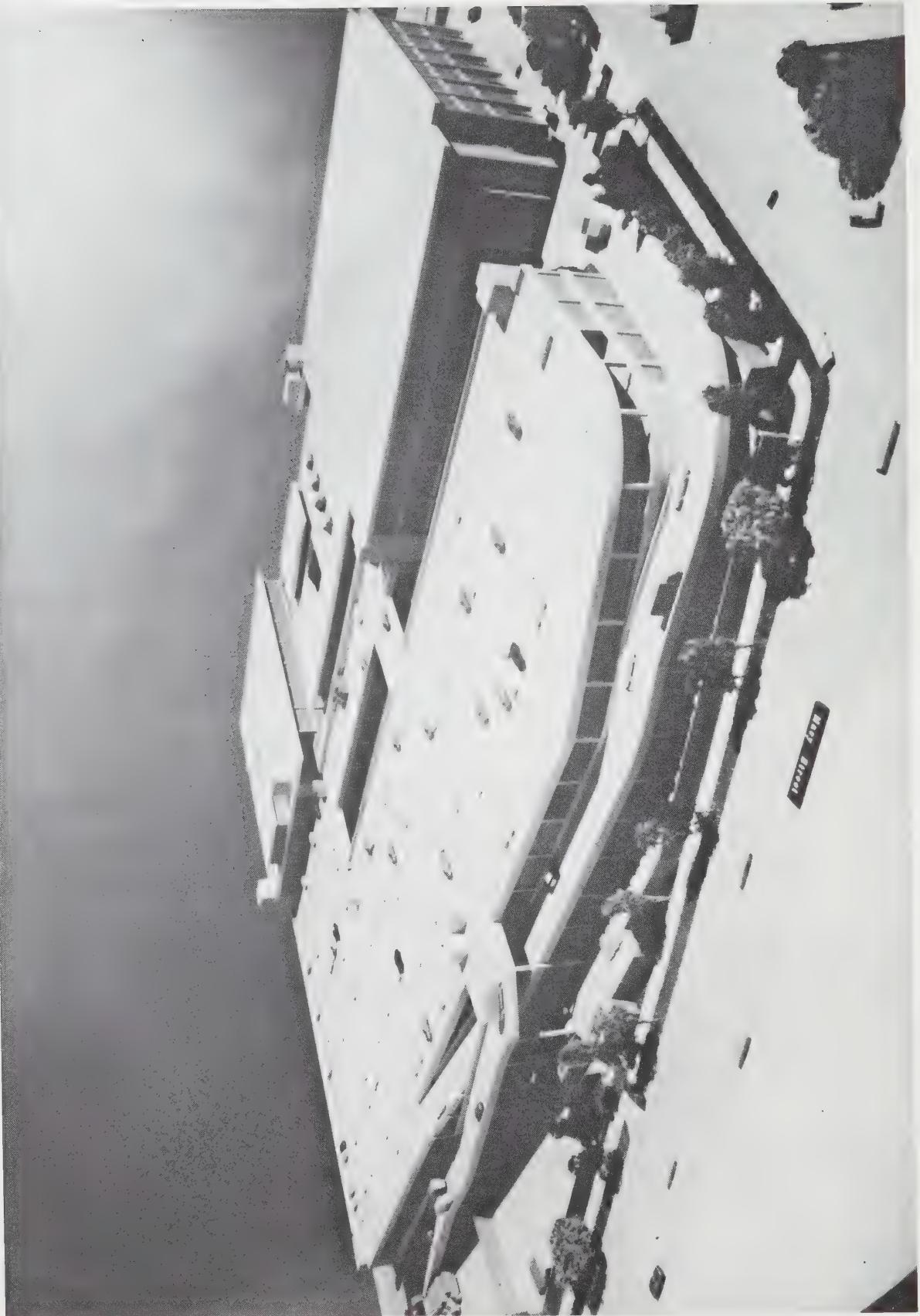
The City's first rental payment will be due July 15, 1980, and each July 15, thereafter.

Table 1
CITY OF LOS ANGELES PUBLIC FACILITIES CORPORATION
Issue of 1977
Estimated Annual Bond Service

Year Ending August 1	Bonds Outstanding	Estimated Interest at 6½ %	Principal Maturing or Minimum Term Bond Redemption	Total Bond Service
Serial Bonds:				
1978	\$64,500,000	\$ 4,192,500	\$ —	\$ 4,192,500
1979	64,500,000	4,192,500	—	4,192,500
1980	64,500,000	4,192,500	—	4,192,500
1981	64,500,000	4,192,500	930,000	5,122,500
1982	63,570,000	4,132,050	1,000,000	5,132,050
1983	62,570,000	4,067,050	1,060,000	5,127,050
1984	61,510,000	3,998,150	1,130,000	5,128,150
1985	60,380,000	3,924,700	1,210,000	5,134,700
1986	59,170,000	3,846,050	1,290,000	5,136,050
1987	57,880,000	3,762,200	1,370,000	5,132,200
1988	56,510,000	3,673,150	1,460,000 ^②	5,133,150
1989	55,050,000	3,578,250	1,550,000 ^②	5,128,250
1990	53,500,000	3,477,500	1,650,000 ^②	5,127,500
1991	51,850,000	3,370,250	1,760,000 ^②	5,130,250
1992	50,090,000	3,255,850	1,870,000 ^②	5,125,850
1993	48,220,000	3,134,300	2,000,000 ^②	5,134,300
1994	46,220,000	3,004,300	2,130,000 ^②	5,134,300
1995	44,090,000	2,865,850	2,260,000 ^②	5,125,850
1996	41,830,000	2,718,950	2,410,000 ^②	5,128,950
1997	39,420,000	2,562,300	2,570,000 ^②	5,132,300
Total Serial Bonds			\$27,650,000	
Term Bonds: ^{①②}				
1998	\$36,850,000	\$ 2,395,250	\$ 2,730,000	\$ 5,125,250
1999	34,120,000	2,217,800	2,910,000	5,127,800
2000	31,210,000	2,028,650	3,100,000	5,128,650
2001	28,110,000	1,827,150	3,300,000	5,127,150
2002	24,810,000	1,612,650	3,510,000	5,122,650
2003	21,300,000	1,384,500	3,740,000	5,124,500
2004	17,560,000	1,141,400	3,980,000	5,121,400
2005	13,580,000	882,700	4,240,000	5,122,700
2006	9,340,000	607,100	4,520,000	5,127,100
2007	4,820,000	313,300	4,820,000	5,133,300
Total Term Bonds			\$36,850,000	
Totals		\$86,551,400	\$64,500,000	\$151,051,400

^① Minimum annual redemption of term bonds due 2007.

^② Callable on and after August 1, 1987.



Photograph of architect's model of the Plaza Technical Center.

THE PROJECT

History

The concept of the Plaza Technical Center dates back to 1965 when the Technical Committee for Capital Programming, a committee of the City Council, presented its findings concerning the need for replacing the City's downtown technical and support facilities. These facilities included shops, warehouses, printing operations, garages, equipment repair and other similar services which served some 22 city departments, bureaus and divisions. These functions are, for the most part, conducted in various separate buildings located throughout the areas of downtown Los Angeles.

Most of these buildings are quite old, with many dating back to the early 1900's, and do not lend themselves to efficient utilization of space, traffic patterns, materials handling, and current technology. Of prime concern are employee working conditions and the need to meet present day governmentally required health and safety standards.

The impetus for the Plaza Technical Center evolved after an extensive study in 1969, by the City Administrative Officer, of space requirements and the overall needs of the various departments and bureaus, together with a projection of future needs for a 20-year period. After reviewing and evaluating the advantages and disadvantages of constructing or leasing a number of smaller support facilities, the economies of construction and efficiency of operation of a single centralized facility offered the greatest number of benefits.

In 1969, the firm of L. W. Davidson & Associates, Architects & Engineers, Los Angeles, California, was retained by the City to design the centralized facility. The initial design of the facility was completed in April 1971. In December 1975 the City's Board of Public Works contracted for modification of the original plans to conform with present City building codes.

The site for the Plaza Technical Center is in the Civic Center area situated east of Union Station, north of the Santa Ana Freeway and west of the Los Angeles River. The site contains an area of 13.5 acres and was acquired by the City in 1968 at a cost of \$2,310,000.

The plans for the Plaza Technical Center provide for a three-story structure with a partial basement and heliport, containing approximately 1,284,000 square feet, with operating facilities for 22 city

departments and bureaus. The Center will contain interior and exterior ramps to provide vehicle access to all floors, as well as a common area for the receipt and distribution of materials. Proposed space allocation within the Center is as follows:

PLAZA TECHNICAL CENTER

Department or Bureau	Allocated Area (Sq. Ft.)
City Clerk	
Election Division	51,000
Records Retention Center	54,900
Planning Department (Model Shop)	500
Police Department	
Motor Transport Division	64,800
Supply Division	64,800
Property Division	20,250
Department of Public Utilities & Transportation	
Wire & Signal Division	12,000
Electronics Division	37,500
Department of Public Works	
Survey Division	8,400
Construction Division	74,800
Bureau of Transportation	74,800
Supplies Department	
Central Purchasing Division	8,550
Printing Division	37,500
Salvage Division	125,200
Stores Division	100,100
Department of Traffic	67,500
Vehicle Service Center	18,000
Cafetorium	20,700
Heliport Facilities	1,500
Mechanical-Electrical Equipment	14,400
Reserve and Miscellaneous	20,780
Subtotal	877,980
Parking Facilities	406,200
Total	1,284,180
Outside Areas such as Yards & Docks ..	202,500

The City estimates that approximately 900 permanent employees will be located in the Center with additional personnel from time to time on a temporary basis.

Contractor's Obligations

The contractor has thirty months from the date of notice to proceed in which to complete the structure. To assure completion, the contractor is required to post 100 percent faithful performance and labor and materialmen's bonds.

If the contractor fails to complete the project on schedule, he will be subject to liquidated damages of \$10,000 per day, which, and to the extent permitted by law, may be deducted from moneys due the contractor.

Estimated Project Costs

Construction bids for the Plaza Technical Center were received on May 18, 1977. The low bidder was Tutor-Saliba and Associates. The total cost for the construction, contingencies, fees, incidentals, funded interest and a reserve fund is estimated to be \$64,500,000, as shown in Table 2 below. Due to the uniqueness of the facilities and the long construction period, the Corporation will retain all interest earnings on invested funds as an additional reserve for project contingencies. Based on an estimated annual return of 5 percent per year, the amount of the additional income is expected to total \$4,500,000.

Table 2

THE CITY OF LOS ANGELES PUBLIC FACILITIES CORPORATION

PLAZA TECHNICAL CENTER

Estimated Project Costs and Source of Funds

Estimated Project Costs

Base construction bids ^①	\$43,959,000
Inspection, supervision and testing ..	1,150,000
Construction contingency	3,855,900
Subtotal	48,964,900
Incidentals	
Interest during construction @ 6½ %	
for 36 months	\$12,577,500
Reserve Fund	2,570,000
Working Capital	25,000
Insurance	70,000
Legal, financing and printing	292,600
Total Estimated Project Costs	\$64,500,000

Source of Funds

Leasehold Mortgage Bonds	\$64,500,000
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^① Low bid of Tutor-Saliba and Associates, Los Angeles.

FINANCIAL DATA

Tax Rates

The City's tax rate per \$100 assessed valuation for the fiscal years 1974/75 through 1976/77 was composed of the following elements:

CITY OF LOS ANGELES City Tax Rates

	1974/75	1975/76	1976/77
General			
Government ..	\$.9910	\$1.0474	\$.9358
Library .....	.0700	.0700	.0700
Recreation			
& Park .....	.1300	.1300	.1300
Permanent			
Improvements	.0600	.0600	.0600
Subtotal ..	\$1.2510	\$1.3074	\$1.1958
Fire & Police			
Pensions	1.0099	1.1162	1.0022
City Employees			
Retirement ...	.3399	.4045	.4063
Bond Service ...	.2216	.1946	.1385
Fire Dept. Facilities Trust Fund			
—		.0586	.0415
Total	\$2.8224	\$3.0813	\$2.7843

Source: Los Angeles City Controller.

There are a total of 140 tax code areas which comprise the City's assessed valuation for 1976/77. Tax rates range from \$12.4464 to \$18.4697 per \$100 assessed valuation.

The largest tax code area in Los Angeles is Code Area 67 (1976/77 net taxable assessed valuation \$3,344,296,183). Tax rates per \$100 of assessed valuation in Code Area 67 over a five-year period are presented in the tabulation on the following page.

CITY OF LOS ANGELES

Assessed Valuations

	1972/73	1973/74	1974/75	1975/76	1976/77
Secured Roll	\$6,748,680,570	\$7,093,117,390	\$7,383,351,725	\$7,777,463,940	\$ 9,184,852,610
Unsecured Roll	1,038,264,516	1,055,001,144	1,131,572,080	1,299,652,757	1,543,558,147①
Utility Roll	385,201,950	386,146,030	400,907,410	408,972,220	440,947,360
Total	\$8,172,147,036	\$8,534,264,564	\$8,915,831,215	\$9,486,088,917	\$11,169,358,117
Redevelopment Projects②	\$ 37,988,851	\$ 46,459,136	\$ 58,749,560	\$ 77,042,196	\$ 102,217,747

① Includes \$147,038,340 of disputed valuations on which tax receipts are currently being impounded.

② Taxes on these assessed valuations are not available for general city purposes.

Source: Los Angeles County Auditor-Controller.

CITY OF LOS ANGELES

Total Tax Rates

Code Area 67

	Fiscal Year				
	1972/73	1973/74	1974/75	1975/76	1976/77
County	\$ 4.0272	\$ 3.8652	\$ 4.3544	\$ 4.5185	\$ 4.4576
Schools	5.5911	5.7157	6.3494	6.1723	6.1147
Special Districts .....	.5238	.5424	.5139	.5171	.4365
City	2.7296	2.7648	2.8224	3.0813	2.7843
Total Rate	\$12.8717	\$12.8881	\$14.0401	\$14.2892	\$13.7931

Source: Los Angeles County Tax Collector.

Tax Levies and Collections

Los Angeles City taxes are collected by the County Tax Collector. Taxes on secured property (including utility property) are payable in two installments, on November 1 and February 1, which become delinquent after December 10 and April 10, respectively. Taxes on property on the unsecured roll are assessed as of March 1 and become delinquent on the following August 31.

The following tabulation presents an eight-year summary of the City's secured tax levies and delinquencies. Levies and delinquencies are for city taxes only.

CITY OF LOS ANGELES

Secured City Tax Levies and Delinquencies

Fiscal Year	Secured Tax Levy	Delinquent June 30	Percent Delinquent
1968/69	\$151,601,844	\$3,204,764	2.11%
1969/70	146,238,095	3,175,758	2.17
1970/71	162,797,333	3,595,257	2.21
1971/72	172,826,948	3,649,728	2.11
1972/73	193,123,363	4,108,238	2.13
1973/74	195,667,440	4,525,192	2.31
1974/75	208,972,683	5,767,778	2.76
1975/76	228,806,400	7,101,902	3.10

Source: Los Angeles County Auditor-Controller.

Fund Balances

The City's cash fund balances as of June 30, 1976 totaled \$330,638,468 as summarized in the following tabulation.

CITY OF LOS ANGELES

Fund Balances as of June 30, 1976

Operating Funds	\$ 63,442,686
Reserve Fund	50,167,601
Capital Funds	21,571,980
Special & Trust Funds	142,891,924
Bond Service Funds	52,564,277
Total	\$330,638,468

Source: City Controller.

Revenues and Expenditures

Table 3 summarizes the City's revenues and expenditures for the fiscal years 1971/72 through 1975/76 as reported to the State Controller. These figures do not include data applicable to the City's municipal enterprise departments (Airport, Harbor and Water and Power). The accounting method utilized by the City is a modified cash method.

Cash receipts and disbursements are audited annually as required by the City Charter. The present audit is a joint venture of J. K. Lasser & Company and Furguson, Leung & Co., Certified Public Accountants, Los Angeles, California.

Tables 4 and 5 set forth the comparative statement of revenues by source and the comparative statement of budget appropriations for the City's 1976/77 Budget and the City's 1977/78 Budget.

Table 3
CITY OF LOS ANGELES
Revenues and Expenditures

	1971/72	1972/73	1973/74	1974/75	1975/76
REVENUES					
Property taxes	\$190,051,846	\$211,056,811	\$209,791,109	\$222,403,478	\$257,216,251
Franchises	2,361,897	2,456,878	2,532,780	2,630,937	3,033,573
Sales and use taxes	71,828,120	80,008,763	90,924,950	96,089,409	106,188,936
Other non-property taxes	40,235,468	50,221,418	55,589,317	63,303,433	71,823,298
Licenses and permits① ..	62,593,775	67,515,807	72,249,048	74,382,703	83,620,518
Fines and penalties	20,818,990	21,051,609	22,342,368	21,715,530	22,892,789
Interest and rent	12,680,688	13,632,585	24,532,286	35,120,956	23,471,493
Subventions and grants ..	85,814,892	103,547,276	146,448,353	150,948,726	266,480,915
Service charges	39,555,585	46,320,927	57,091,233	57,730,142	64,463,872
Other	32,220,332	34,219,657	42,232,051	48,090,145	52,384,824
Total Revenues ..	\$558,161,593	\$630,031,731	\$723,733,495	\$772,415,459	\$951,576,469
EXPENDITURES					
General government	\$178,917,743	\$205,729,959	\$223,028,755	\$264,195,670	\$332,182,554
Public safety	203,033,477	220,594,644	239,327,827	272,858,984	299,490,370
Public works	100,588,385	109,089,679	122,634,976	134,484,059	161,438,728
Health	4,855,487	4,922,570	4,497,949	6,281,689	8,683,290
Libraries	10,923,407	12,601,134	11,961,404	13,097,702	14,721,573
Parks and recreation	31,245,297	35,783,800	35,100,919	35,629,639	46,610,378
Subtotal	\$529,563,796	\$588,721,786	\$636,551,830	\$726,547,743	\$863,126,893
CAPITAL					
EXPENDITURES					
General government	\$ 17,804,957	\$ 10,398,854	\$ 10,497,764	\$ 7,763,128	\$ 8,630,533
Public safety	3,734,900	3,182,111	4,344,289	5,372,275	4,578,140
Public works	24,595,465	35,153,156	32,541,876	37,990,698	28,765,992
Health	224,609	10,191	63,329	262,951	9,302
Libraries	1,973,896	1,958,732	2,288,057	3,134,787	3,119,896
Parks and recreation	8,591,360	9,052,920	10,951,800	6,314,958	7,942,912
Subtotal	\$ 56,925,187	\$ 59,755,964	\$ 60,687,115	\$ 60,838,797	\$ 53,046,775
Total Expenditures	\$586,488,983	\$648,477,750	\$697,238,945	\$787,386,540	\$916,173,668

Source: State Controller's reports.

① Includes business licenses which are shown in State report under property tax category.

Table 4

CITY OF LOS ANGELES
COMPARATIVE STATEMENT OF REVENUE BY SOURCE
Budget 1976/77 and Budget 1977/78

	Budget 1976/77	Budget 1977/78
Property Tax Receipts:		
General Government	\$ 96,077,000*	\$118,389,000
Fire and Police Pension	100,155,000	104,392,000
City Employees' Retirement	40,081,000	32,718,000
Bond Redemption and Interest	14,843,000	14,063,000
Library	6,564,000	7,431,000
Recreation and Parks	12,190,000	13,802,000
Permanent Improvement Fund	5,618,000	8,454,000
Fire Department Facilities Trust Fund	4,277,000	4,306,000
Total Property Tax Receipts	\$279,805,000	\$303,555,000
State Replacement of Property Tax Receipts	29,696,300*	33,515,858
Total Property Tax Receipts and State Replacement	\$309,501,300	\$337,070,858
General Receipts:		
Sales Tax	\$113,000,000	\$117,500,000
Business Tax	72,000,000	75,940,000
Utility Users' Tax	66,000,000	70,000,000
Licenses, Permits, Fees and Fines	59,850,308	65,362,872
State Motor Vehicle License Fees	30,595,000	32,230,000
Power Revenue Transfer	25,900,000	29,350,000
Interest	15,880,000	16,114,741
State Cigarette Tax Apportionments	13,200,000	13,700,000
Sewer Connection Charges	5,140,000	5,220,000
Grant Receipts	5,455,893	8,228,000
Transient Occupancy Tax	6,820,000	7,300,000
Water Revenue Transfer	4,400,000	4,800,000
Airport Revenue Transfer	5,434,600	4,200,000
Franchise Income	3,211,600	3,194,200
State Liquor License Fees	1,700,000	1,700,000
Real Property Transfer Tax	1,900,000	2,600,000
Harbor Revenue Transfer	615,000	—
State Transportation Tax	310,000	292,400
Civic Center Parking Income	420,000	492,000
Los Angeles Mall Rental Income	341,000	550,000
State Mandated Program Reimbursements	620,400	2,219,000
Reserve Fund Transfer	28,919,355*	16,589,766
Total General Receipts	\$461,713,156	\$477,582,979
Special Receipts:		
Local Assistance Trust Fund	\$ 42,893,042	\$ 42,968,000
Interest on Local Assistance Trust Funds	350,000	750,000
Community Development Trust Fund	38,595,043	48,765,000
Fines—State Vehicle Code	14,700,000	15,400,000

Table 4 (Continued)
CITY OF LOS ANGELES COMPARATIVE STATEMENT OF REVENUE BY SOURCE
Budget 1976/77 and Budget 1977/78

	Budget 1976/77	Budget 1977/78
State Gasoline Tax:		
.725¢	12,383,000	12,384,000
1.04¢	12,752,000	13,419,000
Interest on Gas Tax Funds	1,620,000	1,515,259
Traffic Operations Program to Increase Capacity and Safety	1,400,000	1,520,000
Federal Aid Urban Program	5,500,000	6,720,000
Sale of Excess Gas Tax Properties	600,000	1,500,000
Federal Aid Safer Roads Demonstration Project	1,389,870	1,000,000
State Grade Separation	1,000,000	3,000,000
Repayment of Gas Tax Advances by Community Redevelopment Agency	—	246,795
Comprehensive Employment and Training Act, Title I	2,039,745	2,321,000
Sewer Construction and Maintenance Fund	31,078,100	21,613,000
Airport Revenue Fund	5,704,314	5,951,305
Allocations from Los Angeles County	3,938,200	3,900,000
Special Parking Revenue Fund	2,750,000	3,100,000
Auditorium Revenue Fund	1,517,000	2,102,000
Park and Recreational Sites and Facilities Fund	1,287,000	2,400,000
County Flood Control	250,000	80,000
Street Lighting Assessment	2,000,000	2,000,000
Harbor Revenue Fund	1,375,000	1,563,000
Local Transportation Fund	550,000	600,000
State Highway Reimbursements Fund—Service Agreements	400,000	400,000
Water Revenue Fund	55,756	—
For-hire Trucking Revenue Fund	168,000	170,000
Power Revenue Fund	82,219	80,156
Bicycle License Fund	51,000	52,000
Off-highway Motor Vehicle Fund	30,000	50,000
Older Americans Act of 1965 Fund	—	463,434
Public Works Employment Act, Title II Funds	—	606,558
Interest on Public Works Employment Act Title II Funds	—	100,000
Total Special Receipts	\$ 186,459,289	\$ 196,740,507
Available Balances:		
Local Assistance Trust Fund	\$ 10,785,000	\$ 1,700,000
Special Gas Tax Street Improvement Fund	5,720,291	2,313
Traffic Safety Fund	600,000	780,000
Sewer Construction and Maintenance Fund	1,000,000	5,181,000
Public Works Employment Act, Title II	—	3,184,038
Local Transportation Fund	30,000	40,000
County Flood Control	185,000	—
Auditorium Revenue Fund	400,000	900,000
Off-highway Motor Vehicle Fund	65,000	16,000
Special Parking Revenue Fund	554,776	370,620
Park and Recreational Sites and Facilities Fund	650,000	1,100,000
Permanent Improvement Fund	1,360,904	—
Total Available Balances	\$ 21,350,971	\$ 13,273,971
TOTAL BUDGET	\$979,024,716	\$1,024,668,315

* Adjusted to reflect Reserve Fund transfer of \$14,500,000 subsequent to adoption of the budget to reduce the property tax rate.

Source: City of Los Angeles 1977/78 Budget.

**Table 5—CITY OF LOS ANGELES COMPARATIVE STATEMENT OF BUDGET APPROPRIATIONS
1976/77 BUDGET AND 1977/78 BUDGET (Including Estimated Expenditures and
Departmental Requests)**

	1976/77		1977/78	
	Budget	Estimated Expenditures	Department Request	Budget
Animal Regulation	\$ 2,968,221	\$ 2,966,348	\$ 3,747,550	\$ 3,065,029
Building and Safety	14,683,929	15,023,368	17,057,310	15,247,183
City Administrative Officer	3,646,602	3,454,770	3,835,718	3,768,141
City Attorney	11,460,232	16,173,786	12,001,649	11,865,159
City Clerk	5,223,173	5,385,135	5,346,184	5,186,618
Election	2,252,180	2,540,448	19,605	11,385
City Demonstration	2,013,675	1,884,587	—*	—*
Commission on Status of Women	59,372	54,996	77,433	59,292
Community Development	89,641	40,000	6,436,466**	6,525,762**
Controller	1,813,587	1,734,404	1,888,463	1,821,291
Council	5,277,967	5,240,550	5,277,967	5,277,967
Data Service	10,056,065	9,756,065	12,025,556	10,229,299
Employee Relations	74,601	74,601	80,522	80,247
Environmental Quality	263,788	238,654	263,788	—
Fire	91,691,787	90,255,707	93,508,065	91,274,176
Mayor:				
Executive	1,641,363	3,535,745	1,686,231	1,681,456
Community Analysis	847,881	865,572	—*	—*
Training and Job Development	2,187,415	2,163,515	—*	—*
Urban Development	845,376	841,639	—*	—*
Municipal Arts	1,206,023	1,241,109	1,360,780	1,303,248
Municipal Auditorium	5,220,891	5,264,779	6,137,828	5,696,810
Off-street Parking	120,711	120,540	121,474	122,717
Personnel	44,505,741	45,365,655	46,590,641	43,876,041
Planning	4,122,092	4,141,881	4,668,861	4,550,939
Police	210,402,905	211,022,000	222,755,854	211,706,529
Public Utilities and Transportation	12,562,953	12,480,787	19,103,189	12,315,804
Public Works:				
Board Office	1,050,021	1,291,405	1,137,834	1,053,098
Accounting	754,783	754,783	820,547	798,235
Assessments	459,070	498,190	526,187	—
Contract Administration	3,931,045	3,779,329	3,984,183	3,450,473
Engineering	22,319,394	22,457,709	23,423,220	22,201,357
Personnel	692,583	664,613	691,544	596,102
Public Buildings	18,582,254	19,494,851	20,009,231	19,375,618
Right of Way and Land	6,762,017	6,750,008	7,059,289	6,631,678
Sanitation	30,763,956	30,850,250	32,267,378	31,153,749
Standards	1,194,696	1,191,425	1,262,938	1,217,912
Street Lighting	5,465,496	5,187,086	5,583,318	5,014,243
Street Maintenance	37,150,798	40,546,783	43,027,174	34,938,707
Transportation	22,934,928	22,360,813	29,256,211	24,673,766
Social Service	473,261	400,431	321,781	295,087
Supplies	5,411,172	5,246,296	9,534,447	5,916,565
Traffic	11,760,867	11,539,018	11,954,002	11,658,533
Treasurer	848,864	844,400	886,917	865,302
Subtotal—Departmental	\$ 605,793,376	\$ 615,724,031	\$ 655,737,335	\$ 605,505,518
Community Redevelopment	10,000	10,000	15,000	12,500
General City Purposes	7,988,757	8,273,413	7,788,980	8,145,425
Water and Electricity	21,380,000	20,893,000	23,293,037	22,370,000
Library	15,409,775	15,966,404	17,688,874	15,574,826
Recreation and Parks	26,607,591	27,696,856	33,386,902	26,590,735
Unappropriated Balance	14,925,063	50,000	37,016,000	40,900,000
Capital Improvement Expenditure Program	74,349,437	36,052,000	135,000,000	71,005,862
Community Development Trust	27,918,742	15,187,600	36,820,986	36,820,986
Bicycle License	51,000	83,710	52,000	52,000
Public Facilities Trust	5,200,000	5,200,000	5,200,000	5,200,000
Engineering Training	6,000	3,559	6,000	6,000
Special Purpose Funds	—	230,122	—	—
Subtotal—Controllable	\$ 799,839,741	\$ 745,370,695	\$ 952,005,114	\$ 832,183,852
City Employees' Retirement	\$ 47,726,924	\$ 47,726,924	\$ 53,931,930	\$ 56,838,000
Fire and Police Pensions	110,721,247	110,721,247	108,968,645	115,100,000
Special Parking Revenue	745,985	1,013,689	1,062,385	1,451,896
Bond Redemption and Interest	20,190,819	20,190,819	19,094,567	19,094,567
Subtotal—Noncontrollable	\$ 179,384,975	\$ 179,652,679	\$ 183,057,527	\$ 192,484,463
TOTAL	\$ 979,024,716	\$ 925,023,374	\$ 1,135,062,641	\$ 1,024,668,315

*Transferred to Community Development Department. **Includes functions (indicated with *) transferred to this Department. Source: City of Los Angeles 1977/78 Budget.

Bonded Indebtedness

As of December 31, 1976 the City of Los Angeles had general obligation bonds outstanding issued for various municipal purposes amounting to \$143,210,000 and revenue bonds in the amount of \$1,892,573,000 as shown in the following summary. A statement of the City's direct and overlapping bonded indebtedness is presented in Table 6 on page 24.

Section 3(a) of the Los Angeles City Charter specifies that the maximum general obligation bonded indebtedness of the City is 15 percent of the City's assessed valuation. The following summary sets forth the City's general obligation bonded debt and unused bonding capacity as of June 30, 1976.

CITY OF LOS ANGELES Bonding Capacity

1975/76 Assessed	
Valuation	\$9,486,088,917
Debt Limit: 15% of Assessed	
Valuation	1,422,913,337
General Obligation	
Bonds Out- standing 6/30/76:	
Fire	\$ 5,545,000
Police	24,535,000
Health	2,295,000
Library	1,155,000
Recreation and Parks	11,880,000
Sewerage Facilities	73,610,000
Airport	31,110,000
Power	300,000
Water	55,000
Total General Obligation Bonds	150,485,000
Legal Debt Margin ...	\$1,272,428,337

Source: Los Angeles City Controller.

The City of Los Angeles operates on a full cash basis utilizing existing cash reserves and does not fund any general fund requirements through the use of tax anticipation borrowings. The City is not a party to any long term lease obligation with the exception of lease payments to the Los Angeles Parking Authority (Los Angeles Mall) and to the Los Angeles Convention and Exhibition Center Authority totaling \$5,167,405 annually.

The following is a summary of outstanding revenue and lease revenue bonds as of June 30, 1976 and December 31, 1976.

CITY OF LOS ANGELES

	Bonds Outstanding	
	June 30, 1976	December 31, 1976
Revenue Bonds:		
Power Reve- nue①	\$1,302,967,000	\$1,333,292,000
Water Reve- nue②	284,430,000	301,730,000
Harbor Reve- nue	36,890,000	35,850,000
Airport Reve- nue③	226,680,000	221,700,000
Total ..	\$1,850,967,000	\$1,892,572,000
Lease-Revenue:		
Convention and Exhibi- tion Center .	36,795,000	36,165,000
Parking Au- thority (Los Angeles Mall)④ ...	30,500,000	29,760,000

① Not included are \$68,955,000 Electric Plant Refunding Revenue Bonds Issue of 1973, issued to refund Electric Revenue Bonds, Second Issue of 1970, callable May 1, 1980 and Third Issue of 1970, callable September 1, 1980.

② Not included are \$16,430,000 Waterworks Refunding Revenue Bonds Issue of 1973, issued to refund Waterworks Revenue Bonds Issue of 1970, callable February 1, 1980.

③ Not included are \$51,375,000 Airport Refunding Revenue Bonds Issue of 1972, issued to refund Airport Revenue Bonds Issue of 1970, callable November 1, 1978.

④ Not included are \$26,925,000 Parking Authority Refunding Revenue Bonds Issue of 1972, issued to refund Issue of 1970, callable August 1, 1980.

Source: Los Angeles City Controller.

As of June 30, 1977, the City will have outstanding a total of \$135,795,000 in general obligation bonds issued for various purposes. There are no authorized but unissued general obligation bonds. The tabulation on page 25 summarizes the future annual debt service requirements by fiscal year for these bonds as reported by the City Controller.

Table 6**CITY OF LOS ANGELES****Statement of Direct and Estimated Overlapping Bonded Debt**

Estimated Population (January 1976)		2,746,135	
1976/77 Assessed Valuation		\$11,169,358.117	
Estimated Market Value		\$40,776,100,000	
	Debt Applicable July 27, 1977		
	Percent ^②	Amount	
Los Angeles County	38.972%	\$ 7,549,656	
Los Angeles County Flood Control District	40.486	189,130,349	
Metropolitan Water District	24.612	131,979,389	
Los Angeles City Junior College District	66.274	13,830,058	
Los Angeles Unified School District (SD., HSD., Unif.)	80.153	243,819,014	
Other Special Districts	Various	54,220	
Other School Districts	Various	49,253	
City of Los Angeles	100.	134,555,000	
TOTAL GROSS DIRECT AND ESTIMATED OVERLAPPING BONDED DEBT		\$720,966,939	
Less: City of Los Angeles self-supporting bonds		28,640,000	
TOTAL NET DIRECT AND ESTIMATED OVERLAPPING BONDED DEBT		\$692,326,939	
	Ratio To		
	Assessed Valuation	Estimated Market Value	Per Capita
Assessed Valuation			\$4,067
Gross Direct Debt	1.20%	.33%	49
Net Direct Debt95	.26	39
Total Gross Debt	6.45	1.77	263
Total Net Debt	6.20	1.70	252

① The State Board of Equalization reports the 1976/77 Los Angeles County assessed valuations average 27.5 percent of full cash value and that utility property (\$440,947,360) is assessed by the S.B.E. at 25 percent of value.

② Per cent applicable and ratios based upon a 1976/77 assessed valuation of \$11,075,186,600 which reflects adjustments for Redevelopment Project Areas.

③ Excludes City's share of: Los Angeles County Lease Purchase Obligations (\$92,797,772); Los Angeles County Building Authorities (\$75,384,602); Los Angeles Convention and Exhibit Center Authority; City of Los Angeles Parking Authority 1970 Revenue Bonds and City of Los Angeles Parking Authority 1972 Refunding Revenue Bonds.

④ Does not include tax allocation bonds, revenue bonds or sales, if any, between June 22, 1977 and July 27, 1977.

City's Share of Authorized and Unsold Bonds:

Metropolitan Water District	\$89,833,800
Los Angeles County Flood Control District	21,842,197
Los Angeles County	15,588,800

CITY OF LOS ANGELES

Future General Obligation Bond Service

Fiscal Year	General Obligation Bond Service
1976/77	\$20,190,819
1977/78	19,094,568
1978/79	17,831,823
1979/80	16,318,578
1980/81	15,171,839
1981/82	14,558,625
1982/83	13,226,330
1983/84	12,147,860
1984/85	11,564,116
1985/86	10,454,841
1986/87	9,765,004
1987/88	9,104,604
1988/89	7,580,924
1989/90	4,211,644
1990/91	3,673,219
1991/92	3,206,250

Fire and Police Pension Systems

The current Fire and Police Pension Systems of the City of Los Angeles, established January 29, 1923 by adoption of Article XVII of the Charter, and the New Pension System, established January 29, 1967 by adoption of Article XVIII, are contributory plans covering uniformed fire and police personnel.

At June 30, 1976, the Systems had 10,212 active members and 7,448 retired members receiving allowances totaling approximately \$5.8 million monthly. The System, which is funded pursuant to the Entry Age Normal Funding Method, had assets of \$467.3 million at June 30, 1976, the date of its last audited statements prepared by Peat, Marwick, Mitchell & Co., Certified Public Accountants, Los Angeles, California.

An actuarial investigation and evaluation of the Pension System is prepared every five years. The latest such investigation and evaluation was prepared by Towers, Perrin, Forster & Crosby, Consulting Actuaries, Los Angeles, California, and is dated December 31, 1975. Additionally, the actuaries prepare an actuarial valuation on a yearly basis. The latest actuarial valuation is dated June 30, 1976.

According to the last actuarial report dated June 30, 1976, the unfunded past and prior service liability of the System is estimated at \$1,540,637,466, which is being funded over a seventy-year period

ending June 30, 2137. Actuarial computations assume an interest rate of 5.375%.

During fiscal 1975, the System received contributions and income totaling approximately \$144.4 million with about \$102.9 million coming from taxpayers through a special tax levy for pension purposes, \$15.7 million from member contributions, \$25.6 million from investment income and the balance from other sources.

City Employees' Retirement System

The City Employees' Retirement System of the City of Los Angeles established July 1, 1937 by adoption of Article XXXIV of the Charter, is a contributory plan covering most City employees except uniformed fire and police personnel and employees of the Department of Water and Power.

At June 30, 1976, the System had approximately 22,000 active members and 5,300 retired members receiving allowances totaling approximately \$2 million monthly. The System, which is funded pursuant to the Entry Age Normal Funding Method, had assets of approximately \$500 million at June 30, 1976, the date of its last audited statements prepared by a joint venture of J. K. Lasser & Company and Ferguson, Leung & Co., Certified Public Accountants, Los Angeles, California.

An actuarial investigation and evaluation of the Retirement System is prepared every five years. The latest such investigation and evaluation was prepared by Coates and Crawford, Consulting Actuaries, Pasadena, California and is dated January 24, 1975. Additionally, the System employs a consulting actuary, Towers, Perrin, Forster & Crosby, Los Angeles, California, to prepare an actuarial valuation on a yearly basis. The latest valuation is as of June 30, 1976.

According to the last actuarial report dated June 30, 1976, the unfunded past and prior service liability of the System is estimated at \$465,377,000 which is being funded over a thirty-year period ending June 30, 2004. The actuarially-computed value of vested benefits at June 30, 1976, is in excess of net assets available for plan benefits by \$252,827,000. Actuarial computations assume an interest rate of 5.25%.

During fiscal 1976, the System received contributions and income totaling approximately \$89 million with about \$40 million coming from taxpayers through a special tax levy for retirement purposes, \$14.5 million from member contributions, \$26.8 million from investment income and the balance from other sources.



View of the Los Angeles Civic Center Area and portions of the central business district. Major governmental buildings pictured in the foreground include the Los Angeles City Hall, City Halls East and South, Los Angeles Police Headquarters, Federal Building, U. S. Courthouse, Los Angeles County Halls of Administration and Records, Los Angeles County Criminal Courts and Hall of Justice, California State Office Building and the Los Angeles County Music Center Complex.

THE CITY

The City of Los Angeles, third largest city in the nation, is located at the center of the second largest concentration of population and business in the United States. From an initial population of 44 settlers who first established a community in 1781, there are now more than 2,740,000 residents in the City and close to 10,000,000 residents within 60 miles of the center of Los Angeles.

The city limits of Los Angeles encompass a total area of 463.6 square miles, a geographical expanse whose boundaries extend from the Pacific Ocean inland to include coastal plains, mountains, valleys and varying climatic conditions. Elevations range from sea level to 5,080 feet, all within the city limits.

The Los Angeles basin ranks as the leading major growth area in the United States, ahead of such areas as the New York-Northeastern New Jersey Area and the Chicago-Northwestern Indiana Area.

Within a 60-mile radius of Los Angeles is the world's largest concentration of scientists, engineers and skilled technicians employed in a network of advanced technology industries such as scientific research and development, electronics, aerospace, and scientific instruments.

This combination of population and industry creates for the city the largest retail and wholesale market in the state, with the result that the City of Los Angeles records total taxable transactions nearly three times as great as the second-ranked city, San Francisco. Total taxable transactions for Los Angeles in the year 1976 exceeded \$10.2 billion.

Municipal Government

The City of Los Angeles is a charter city originally incorporated in 1850. The present city charter was adopted in 1925 and has been amended from time to time since then.

The City has the Mayor-Council form of municipal government. The Mayor is elected at large for a four-year term. As executive officer of the City, the Mayor has the overall responsibility of administra-

tion. He supervises administrative processes of local government and participates with the City Council in matters relating to legislation, budget and finance. As prescribed by the charter and city ordinances, the Mayor operates an executive department, of which he is the ex officio head. The present Mayor, Mayor Tom Bradley, was re-elected to a second four-year term at the April 1977 election.

The City Council has fifteen members elected at large for four-year terms. The City Council is the governing body of the city, establishing the policies affecting the operation of municipal affairs.

The other two major elective offices of the city are the Controller and the City Attorney, both elected for four-year terms. The Controller is the chief accounting officer of the city. He has general supervision over all accounts of officers and boards, prescribes the method and installation of accounting systems, audits and approves all demands before payment, and has custody of all official bonds except his own.

The City Administrative Officer, appointed by the Mayor and confirmed by the Council, is the financial and administrative advisor to the Mayor and the Council. His office assists in the preparation of the city's annual budget and directs a program to assure the proper and effective operation of city government.

The governmental organization of the city consists of 27 departments, 20 of which are headed by advisory or controlling boards or commissions appointed by the Mayor subject to confirmation of the Council. The only full-time board is the Board of Public Works, whose salaries are fixed by ordinance.

There are presently more than 40,000 city employees. The City maintains a world-renowned police department and fire department. The police department has a total of more than 9,700 personnel (7,000 uniformed) and the fire department has in excess of 3,500 employees (3,100 uniformed). The City has a Class 1 fire rating.

The City has established a new Department of Community Development, which embraces the Office of Urban Development, the Office of Training and Job Development, the Community Analysis Bureau, the Office for the Aged, and the City Demonstration Agency. This action consolidates within one department those agencies which are primarily financed by federal funds.

The Downtown Central Redevelopment Project, adopted by the City Council on July 18, 1975, en-

compasses 255 blocks of the downtown area, including a portion of the financial district. Within the area are such buildings as the State Building, Hyatt Regency Hotel, Broadway Plaza, and Arco Towers. Appearing on the tax rolls as Central Business District Redevelopment Project Tax District #1, the area has a 1976/77 secured assessed valuation of \$358,083,295, or slightly more than 4% of the city's net secured valuation. The City's Redevelopment Agency, with the assistance of two citizens' committees, is presently developing a work plan for submission to the City Council in mid-1977.

Employer-Employee Relations

Approximately 40,000 city employees are involved with some 38 employee bargaining units represented by 13 unions and employee associations. The largest union is the International Brotherhood of Electrical Workers, Local 18, AFL-CIO, representing over 8,300 employees in five bargaining units. Other major unions are: The Los Angeles City Employees Union, Local 347, SEIU, AFL-CIO, representing 8,300 employees in five units; the Los Angeles Police Protective League representing 7,300 employees in two units; the All City Employees Association representing 5,500 employees in four units; the Engineers and Architects Association representing 3,900 employees in seven units; and the United Firefighters of Los Angeles City, Local 112, IAFF, AFL-CIO, representing 2,800 employees in two units. The City has adopted an employee relations ordinance under the provisions of the Meyers, Milias, Brown Act of California. Formal memorandums of understanding are executed between the City and the bargaining units. The terms of the salary settlements are incorporated into memorandums of understanding. The present memorandums of agreement for all except two small bargaining units expire between June 30 and August 31, 1977. The City of Los Angeles has enjoyed a good working relationship with the various city employee labor organizations.

Population

The percentage rate of growth in the City of Los Angeles and surrounding territory has leveled off, and it is anticipated that the decade of the 1970's will be one of stabilization of population for both city and county, rather than one of rapid growth as in recent decades. In the decade from 1960 to 1970 the City increased its population by 332,786, an increase of 13.4 percent. The January 1, 1976 popu-

lation of the city is estimated by the County Regional Planning Department to be 2,746,135.

During the 1960-70 period, Metropolitan Los Angeles, represented by Los Angeles County, increased its population from 6,038,771 to 7,041,980, an increase of 16.6 percent.

The following tabulation, based on U.S. Census reports, illustrates the historical growth of the City of Los Angeles and its relation to Los Angeles County and the United States.

City of Los Angeles		
Year	Population	Percentage Increase
1930	1,238,048	
1940	1,504,277	21.5%
1950	1,970,358	31.0
1960	2,479,015	25.8
1970	2,811,801	13.4

Los Angeles County		
Year	Population	Percentage Increase
1930	2,208,492	
1940	2,785,643	26.1%
1950	4,151,687	49.0
1960	6,038,771	45.5
1970	7,041,980	16.6

United States		
Year	Population	Percentage Increase
1930	122,775,046	
1940	131,669,275	7.2%
1950	150,697,361	14.4
1960	179,323,175	19.0
1970	203,235,298	13.3

Housing Characteristics

The City contained 1,131,406 housing units as of January 1, 1976, according to the County Regional Planning Department, an increase of 57,233 over the 1970 Federal Census. About 54 percent of all dwellings are single units. In 1970 the proportion of single housing units was in excess of 57 percent of the total. Nearly 90 percent of all new residential units constructed since the 1970 Census have been in multi-unit structures, however.

In the 1970 Census of Housing, the median value of owner-occupied homes in the City was \$26,700, compared with a county-wide median home value of \$24,300. Median monthly rentals were \$107 and \$110, respectively.

Residential building permits issued by the City in 1976 averaged \$47,512 for single family homes and \$25,141 for multiple units, exclusive of land. These average values are very close to comparable countywide averages of \$46,969 and \$25,257.

Income

The 1976 Sales Management Annual Survey of Buying Power reports that median household income in the City was \$12,072, and that 38.9 percent of city households realized annual incomes of \$15,000 or more. The same survey reports that the citywide per capita effective buying income was \$6,135, as compared to \$5,922 in Los Angeles County, \$5,587 in California and \$5,003 in the nation as a whole.

Commerce

The City of Los Angeles is the leading retail center in the State of California, and this dominant position continues to be strengthened as taxable sales grow each year.

In 1976 total taxable transactions in the City exceeded \$10.2 billion, nearly \$4 billion greater than total volume in 1971. Over 70 percent of 1976 taxable sales was reported by retail establishments.

The continuing growth pattern of taxable sales is illustrated in the accompanying tabulations, which present a summary of taxable transactions since 1971, and a breakdown of 1976 taxable sales in the City of Los Angeles by type of business.

CITY OF LOS ANGELES

1976 Taxable Transactions by Type of Business (\$000 omitted)

Type of Business	Outlets as of July 1	Taxable Transactions
Apparel stores	2,475	\$ 451,265
General merchandise stores ..	717	985,276
Drug stores ^①	580	216,639
Food stores ^①	2,075	595,292
Packaged liquor stores	926	229,928
Eating and drinking places ..	6,367	939,711
Home furnishings and appliance stores	1,884	342,663
Building materials and farm implements	746	364,106
Auto dealers and auto supplies	1,069	974,491
Service stations	2,172	1,029,212
Other retail stores	6,657	1,100,167
Total retail	25,668	\$ 7,228,750
All Other Outlets	54,977	2,974,302
Totals	80,645	\$10,203,052

^①Certain items are not taxable.

Source: State Board of Equalization.

CITY OF LOS ANGELES

Taxable Transactions (\$000 omitted)

Year	Retail Outlets		All Outlets	
	Permits	Transactions	Permits	Transactions
1971	24,090	\$4,456,488	67,076	\$6,369,714
1972	24,321	5,090,451	69,366	7,204,086
1973	24,453	5,662,308	71,170	8,046,556
1974	24,732	6,071,736	73,504	8,733,139
1975	25,001	6,566,240	76,863	9,323,166
1976	25,668	7,228,750	80,645	10,203,052

Source: State Board of Equalization.

Los Angeles Mall

The new \$42,000,000 Los Angeles Mall complex, owned and leased by the City of Los Angeles, integrates 125,000 square feet of shops with public offices, underground parking and a landscaped park encompassing two square blocks in the heart of the Los Angeles Civic Center.

Bounded by Aliso, First, Main, and Los Angeles Streets, the Mall is situated immediately east of City Hall and the Federal Court House, immediately west of the Federal Office Building, and is the site of City Hall East and City Hall South. It serves an estimated 30,000 government employees, in addition to thousands of daily visitors doing business at the Civic Center, and tourists visiting the Music Center, Olvera Street and other nearby attractions.

Four underground levels of parking at the Mall provide space for 2,400 cars. Shops are located around two open courtyards and along a broad connecting concourse beneath Temple Street. A three-level restaurant capable of seating over 1,000 is planned.

The plaza level features a ceremonial esplanade for public ceremonies, band concerts, traditional ethnic celebrations, and the Plaza's theme structure—the Triforium.

Employment

As with population, employment in both city and County is expected to tend toward stabilization rather than the rapid growth of past decades. The most important factor underlying the region's economic growth has been the steady increase in the number of well-paying employment opportunities, especially in the highly technical and skilled aerospace industry.

The Los Angeles-Long Beach Labor Market, as defined by the State Department of Employment Development, includes the Cities of Los Angeles and Long Beach and adjoining areas. As of January 1977, 3,031,500 residents of this labor market were employed and 265,800 were unemployed. The seasonally adjusted unemployment rate of 7.8% compares with an unemployment rate of 9.6% in January 1976. Nonfarm wage and salary employment in this labor market for January 1977 totaled 3,153,300, an increase of 110,400 over the previous January. Many persons who work in Los Angeles County commute from neighboring counties, accounting for the fact that the number of nonagricultural jobs

reported in the county is higher than the number of employed residents.

For the year 1976, there were 3,106,800 non-farm jobs available in the Los Angeles-Long Beach Labor Market. Over 25 percent of these jobs were in manufacturing and about 23 percent were in wholesale and retail trade. Other principal sources of employment are services and government. A summary of nonagricultural wage and salary employment in this labor market since 1972 is shown on page 31. As reflected in this tabulation, the fastest growing categories of nonfarm employment during the 1972-76 period were non-durables manufacturing, wholesale trade, retail trade, services, and local government.

There are over 250 establishments in Los Angeles County employing 1,000 or more persons. The distribution of employers by size of employment is presented below.

In Los Angeles and Southern California there has been a general shift towards service producing industries as the rate of increase in this area exceeded the goods producing area. However, manufacturing is still the number one employment category in both employees and payroll.

LOS ANGELES COUNTY

Employers by Size of Employment

No. of Employees	No. of Reporting Establishments ^①
0-3	62,653
4-9	34,562
10-19	15,461
20-49	10,899
50-99	4,347
100-249	2,439
250-499	779
500-999	317
1000 and over	254
Total	131,711

^①Employers reporting under Unemployment Insurance programs as of the third quarter, 1975.

Source: California Department of Employment Development.

LOS ANGELES-LONG BEACH LABOR MARKET

Non-Agricultural Employment By Industry

Annual Averages (000)

Industry	1972	1973	1974	1975	1976
Construction	100.6	110.2	105.1	96.1	96.4
Manufacturing—Durables	528.4	562.1	560.9	519.4	521.8
Manufacturing—Nondurables	251.5	265.1	268.3	255.2	270.5
Transportation, Utilities	171.3	178.9	178.8	174.9	173.3
Wholesale Trade	197.1	211.1	219.2	218.7	225.5
Retail Trade	460.1	478.6	481.9	478.2	488.8
Finance, Insurance	177.7	185.9	185.6	184.5	188.2
Services	566.1	606.1	627.5	633.7	647.4
Government—Federal	67.2	66.5	69.1	69.4	67.8
Government—State & Local	369.0	372.4	384.1	405.8	415.8
Other	10.6	10.5	10.9	11.0	11.3
Total	2899.6	3047.4	3091.4	3046.9	3106.8

Source: California Department of Employment Development.

LOS ANGELES-LONG BEACH LABOR MARKET

Manufacturing Employment 1975①

Industry	No. of Employers	No. of Employees②	Quarterly Wages
Food products	596	51,738	\$ 155,175,479
Textile products	197	10,034	21,586,035
Apparel	2,122	69,630	117,969,033
Lumber, wood products	419	9,404	22,785,007
Furniture, fixtures	762	29,219	67,592,306
Paper products	237	15,258	47,800,168
Printing, publishing	2,006	41,885	122,942,744
Chemicals	549	27,902	87,943,131
Petroleum	63	12,790	58,459,271
Rubber, plastic products	638	27,291	67,552,167
Leather products	155	6,995	11,952,481
Stone, clay, glass	466	23,828	66,335,485
Primary metals	382	23,102	68,940,407
Fabricated metal products	1,872	66,533	191,286,664
Nonelectrical machinery	2,653	73,455	231,654,586
Electrical equipment	1,150	103,052	348,916,933
Transportation equipment	890	133,821	501,215,158
Instruments	474	24,388	66,285,091
Miscellaneous	710	20,493	43,632,775
Total	16,341	770,818	\$2,300,024,921

①Third quarter 1975.

②As of September 1975.

Source: California Department of Employment Development.

Industry

Manufacturing in Los Angeles County generates annual payrolls exceeding \$9 billion, and provides jobs for more than three-quarters of a million people, two-thirds of whom are in durable goods industries. Transportation equipment (mostly aircraft and parts) is the leading industry in Los Angeles County, based on employment and payrolls. Next in importance is electrical equipment, followed by nonelectrical machinery. A summary of manufacturing employment and payrolls in the county, as reported by all employers submitting quarterly data under Unemployment Insurance regulations, is presented on the opposite page.

The "Roster of Leading California Companies" published by the *Los Angeles Times* (see pages 33 and 34) shows that 58 of the 100 largest California industrial companies in 1976 are headquartered in Los Angeles County. These 58 firms had total 1976 sales in excess of \$58 billion, as shown by the accompanying tabulation.

The Mark Taper Forum is one of three theatres which comprise the \$34 million dollar Los Angeles County Music Center. The Center is located in downtown Los Angeles and is within walking distance of several new high-rise hotels.



Major Industrial Companies and Financial Institutions Headquartered in Los Angeles County

Company	Headquarters Location	Revenues (Millions)	California Employees
Industrial Companies			
Atlantic Richfield Co.	Los Angeles	\$ 8,917.3	5,200
Union Oil Co. of California	Los Angeles	5,722.5	6,640
Occidental Petroleum Corp.	Los Angeles	5,534.4	2,100
Litton Industries Inc.	Beverly Hills	3,354.6	8,450
Getty Oil Co.	Los Angeles	3,278.8	1,450
Lockheed Aircraft Corp.	Burbank	3,202.7	35,000
The Signal Cos. Inc.	Beverly Hills	2,451.6	8,000
Carnation Co.	Los Angeles	2,167.0	3,620
Teledyne Inc.	Los Angeles	1,937.6	8,500
Fluor Corp.	Los Angeles	1,801.8	5,410
Dart Industries Inc.	Los Angeles	1,476.2	1,800
Reserve Oil and Gas Co.	Los Angeles	1,474.0	650
Northrop Corp.	Los Angeles	1,265.0	15,500
The Times Mirror Co.	Los Angeles	975.6	7,400
The Ralph M. Parsons Co.	Pasadena	859.2	4,800
Tosco Corp.	Los Angeles	849.1	760
MCA Inc.	Universal City	802.9	7,100
Whittaker Corp.	Los Angeles	713.8	1,800
Lear Siegler Inc.	Santa Monica	694.3	1,530
Petrolane Inc.	Long Beach	637.2	4,600
Walt Disney Productions	Burbank	583.9	7,070
C F Braun & Co.	Alhambra	502.8	2,700
Purex Corp.	Lakewood	465.6	1,600
Norris Industries	Los Angeles	430.5	7,500
Brown Co.	Pasadena	430.2	700
Bergen Brunswig Corp.	Los Angeles	395.9	1,680
Mattel Inc.	Hawthorne	366.3	3,000
Avery International Corp.	San Marino	361.9	1,200
Kaufman and Broad Inc.	Los Angeles	356.3	650
Twentieth Century-Fox Film Corp.	Los Angeles	355.0	1,200
Denny's Inc.	La Mirada	353.9	11,100
Hilton Hotels Corp.	Beverly Hills	350.3	3,530
Cyprus Mines Corp.	Los Angeles	309.0	300
American Medical International Inc.	Beverly Hills	287.8	3,700
Metro-Goldwyn-Mayer Inc.	Culver City	273.2	1,700
Kerr Glass Manufacturing Corp.	Los Angeles	250.4	450
International Foodservice Corp.	Los Angeles	241.4	330
Automation Industries Inc.	Los Angeles	238.5	900
Computer Sciences Corp.	El Segundo	234.7	1,300
Knudsen Corp.	Los Angeles	230.8	2,440
Host International Inc.	Santa Monica	230.5	5,000
Ameron Inc.	Monterey Park	208.9	2,480
Earle M. Jorgensen Co.	Lynwood	208.8	550
Republic Corp.	Los Angeles	208.1	1,950
Golden State Foods Corp.	Industry	189.6	450
Jacobs Engineering Group Inc.	Pasadena	184.0	500
Superscope Inc.	Chatsworth	181.0	980
S. E. Rykoff & Co.	Los Angeles	174.8	960
Western Gear Corp.	Lynwood	171.2	1,500
TFI Cos. Inc.	Los Angeles	170.5	910
Ducommun Inc.	Los Angeles	169.1	1,040
Capitol Industries-EMI Inc.	Hollywood	168.2	950
Monogram Industries Inc.	Santa Monica	167.6	1,000
Coca-Cola Bottling Co. of Los Angeles	Los Angeles	165.1	2,500
C.H.B. Foods Inc.	Pico Rivera	159.1	2,360
VSI Corp.	Pasadena	148.9	2,250
Planning Research Corp.	Los Angeles	148.0	500
Wyle Laboratories	El Segundo	146.3	500

Company	Headquarters Location	Revenues (Millions)	California Employees
Merchandising Firms			
Carter Hawley Hale Stores Inc.	Los Angeles	\$ 1,371.7	27,000
Thrifty Corp.	Los Angeles	610.1	n.a.
Arden-Mayfair Inc.	Commerce	450.1	n.a.
Thriftimart Inc.	Los Angeles	est. 338.5	2,600
Sav-On-Drugs Inc.	Marina del Rey	334.0	5,700
Daylin Inc.	Los Angeles	307.7	750
Transportation Firms			
Western Air Lines Inc.	Los Angeles	\$ 605.2	6,530
Continental Airlines Inc.	Los Angeles	551.5	4,600
Tiger International	Los Angeles	420.6	2,100
The Bekins Co.	Los Angeles	173.6	4,500
Transcon Lines	El Segundo	165.5	910
Utilities			
Southern California Edison Co.	Rosemead	\$ 1,816.8	12,760
Pacific Lighting Corp.	Los Angeles	1,173.9	9,070
General Telephone Co. of California	Santa Monica	737.9	17,610
FINANCIAL INSTITUTIONS			
Banks			
Security Pacific National Bank	Los Angeles	\$16,153.3	①
United California Bank	Los Angeles	9,656.4	10,000②
Union Bank	Los Angeles	4,233.3	3,190②
Lloyds Bank California	Los Angeles	1,466.6	2,170
City National Bank	Beverly Hills	773.3	970
Savings and Loans			
Home Savings and Loan Assn.	Los Angeles	\$ 7,629.8	2,410②
Great Western Savings and Loan Assn.	Beverly Hills	6,336.9	1,740
American Savings and Loan Assn.	Beverly Hills	6,187.9	①
California Federal Savings and Loan Assn.	Los Angeles	3,894.6	1,580
Glendale Federal Savings and Loan Assn.	Glendale	2,687.6	1,120
Gibraltar Savings and Loan Assn.	Beverly Hills	2,230.8	①
Coast Federal Savings and Loan Assn.	Los Angeles	1,838.7	750
Holding Companies			
Western Bancorporation	Los Angeles	\$19,672.2	10,700②
Security Pacific Corp.	Los Angeles	16,400.7	n.a.①
H. F. Ahmanson & Co.	Los Angeles	7,908.9	3,000②
Great Western Financial Corp.	Beverly Hills	6,302.4	1,830
First Charter Financial Corp.	Beverly Hills	6,208.2	1,900①
Union Bancorp Inc.	Los Angeles	4,225.6	3,390②
Farmers Group Inc.	Los Angeles	2,478.1	3,360②
Gibraltar Financial Corp. of California	Beverly Hills	2,242.1	940①
Loan, Credit and Mortgage			
Transamerica Financial Corp.	Los Angeles	\$ 809.6	1,950②
Budget Capital Corp.	Los Angeles	530.5	320
The Colwell Co.	Los Angeles	117.9	370
Life Insurance			
Occidental Life Insurance Co. of California	Los Angeles	\$ 2,545.2	3,920
Beneficial Standard Life Insurance Co.	Los Angeles	216.5	440
Fire and Casualty Insurance			
Farmers Insurance Group	Los Angeles	\$ 1,654.6	3,360②
Transamerica Insurance Co.	Los Angeles	573.0	840②
Title Insurance			
Ticor	Los Angeles	\$ 310.5	4,480

① Employee figure same as parent holding company.

② Employee figure included in parent holding company.

Source: Los Angeles Times, May 15, 1977.

Financial Institutions

The *Los Angeles Times* "Roster of Leading California Companies" also lists a number of leading financial institutions with home offices in Los Angeles County.

It showed five major banks with assets of more than \$32 billion and seven leading savings and loan associations with over \$30.8 billion in assets, including Home Savings and Loan Association, the nation's largest.

The list also contained eight financial institution holding companies with assets of more than \$65 billion, including Western Bancorporation, the second largest in the nation; three mortgage and lending institutions; two nationally prominent life insurance companies; two major fire and casualty insurers and the state's largest title insurance company. Combined assets of \$5.3 billion were shown for the five insurance companies.

The Federal Reserve Bank of San Francisco reports that bank debits in the City of Los Angeles totaled \$674.1 billion in the calendar year 1976, compared with \$614.5 billion for 1975. In the first quarter of 1977, bank debits were 20 percent greater than the same period of 1976. Bank deposits in the City as of March 31, 1977 amounted to \$6,388,498,000, a gain of 9.5 percent over the corresponding date of the previous year.

Tourism

Los Angeles is located in the midst of the extensive Southern California tourist area and benefits both directly and indirectly from this major economic source.

Tourism is a basic industry, important to the growth of the Southern California economy. The Southern California Visitors Council estimates that more than 9 million people, attracted to the area, spend over \$2½ billion annually in the Los Angeles area.

Over the years, the seasonal pattern of tourism has shifted from winter to the present summer peak. Today, tourism is a year-round business as improved modes of transportation allow individuals to take advantage of rising incomes, increased leisure time, and early retirement.

Among the major tourist attractions located in and near the City are Busch Bird Sanctuary, Magic Mountain, Marineland of the Pacific, motion picture

and television studios, the Mount Wilson Observatory, the Los Angeles Music Center and the Rose Bowl. Teams representing every major league sport are based in the Los Angeles area, together with nationally-prominent collegiate teams fielded by UCLA, USC, and other universities. Neighboring Long Beach is the site of the Grand Prix West Formula One auto races each year.

A study by the Southern California Visitors Council indicates that tourism supports one million jobs in Southern California. The principal recipients of the estimated \$2.8 billion tourist expenditures are food and beverage purveyors, which account for nearly one fourth of the total; hotels and motels, which realize more than \$630 million, and recreation and entertainment places, which gross over \$480 million from this source.

The area also benefits from the taxes paid by visitors. These consist principally of sales taxes, gasoline taxes and room occupancy taxes. Surveys by the Southern California Visitors Council indicate that the total taxes paid by visitors to Southern California amounted to \$134,000,000 in 1974 and \$135,000,000 in 1975.

In 1976, over 55 percent of the estimated 9,504,000 visitors arrived by plane, and an additional 41 percent traveled by automobile. July and August were the most popular months. The average length of stay was 10 days per visitor.

The following tabulation shows the estimated total number of tourists visiting Southern California in recent years and their total estimated expenditures. The data do not include convention delegates or others visiting on business.

Tourists and Expenditures In Southern California

Year	Tourists	Expenditures
1971	7,599,000	\$1,306,000,000
1972	8,125,000	1,400,000,000
1973	8,446,000	1,966,000,000
1974	8,363,000	2,219,000,000
1975	8,480,000	2,431,000,000
1976	9,504,000	2,856,000,000

Source: Southern California Visitors Council.

Convention Business

The amenities of a major metropolitan area, together with the numerous natural, cultural, and recreational attractions of Southern California, have made the City a leading convention center. The Los Angeles Convention Center and the larger hotels, centered primarily in downtown Los Angeles, Beverly Hills, and at the Los Angeles International Airport, provide convention facilities for both large and small groups.

The Los Angeles Convention Center was completed in 1971, complementing the many new high-rise office buildings and hotels that are a feature of downtown Los Angeles. This provides the City for the first time with a specially designed center for large exhibitions and conventions.

The Center is located just south of central downtown Los Angeles at the confluence of the six major freeways that fan out from the city center in all directions. There is parking area for 4,000 cars and on-site parking for 100 truck trailers.

The main exhibit hall measures 560 feet long by 350 feet wide plus an adjacent open area 87 by 224 feet and contains 213,000 sq. ft. of useable exhibit space.

A moveable soundproof partition wall can create two separate areas of 71,000 and 142,000 square feet for exhibits, meetings, or banquets. The assembly rooms, adjacent to the main hall on the same floor, has 24,000 square feet which can be used in conjunction with the main exhibit floor, to accommodate in excess of 1,200 10 by 10-foot exhibits.

On the main exhibit floor are conveniently located snack bars, a cafeteria and dining room seating 700, and complete food service capability for events attended by up to 8,000 persons.

Twenty meeting rooms, one floor up, serviced by high speed escalators and elevators, can accommodate another 6,000 persons in groups ranging in size from 50 to 1,600.

This second-floor meeting and management center contains, in addition to the 20 meeting rooms, two lounge and reception areas and news facilities for press, radio and television coverage. The glass-enclosed newsrooms provide a sweeping view of the exhibit area and are adaptable to filming or live television coverage, including news conferences and press briefings.

A summary of the number of conventions and estimated spending by convention delegates in the City since 1970 is presented below.

CITY OF LOS ANGELES

Conventions and Attendance

Year	Number of Conventions	Estimated Attendance	Estimated Dollar Value
1970 ...	316	275,916	\$45,526,140①
1971 ...	262	358,295	59,247,012①
1972 ...	232	369,730	61,005,450①
1973 ...	243	403,150	86,072,525②
1974 ...	276	433,720	92,599,220②
1975 ...	224	389,076	83,067,726②
1976 ...	199	260,129	55,537,541②

①Estimated at \$165 per delegate. ②Estimated at \$213.50 per delegate.

Source: Los Angeles Convention and Visitors Bureau.

Construction Activity

After declining in 1974 and 1975, the City's building permit valuation rebounded sharply in 1976. The City of Los Angeles issued construction permits valued at more than \$975 million for the year, with nearly half the total valuation accounted for by residential construction.

During the five-year period ending in 1976, the City awarded permits aggregating \$4,356,607,000 in value. Approximately 41 percent of this total valuation consisted of residential activity, about 27 percent was new commercial construction, 25 percent consisted of public construction and other nonresidential valuation, and the remainder was new industrial activity. A summary of building permit valuation by years for this period appears below.

Permits for residential construction during this period included 56,934 housing units, of which approximately 80 percent were in multi-family buildings.

A tabulation of major building permits issued by the City in 1976 and the first two months of 1977 appears on page 37.

CITY OF LOS ANGELES

Building Permit Valuation (\$000 omitted)

	1972	1973	1974	1975	1976
Value:					
Residential	\$ 333,867	\$387,070	\$302,441	\$274,301	\$481,430
New Commercial	466,544	174,070	170,860	206,418	173,378
New Industrial	49,211	72,111	65,234	41,549	71,321
Other, Non-Residential	219,296	184,137	191,958	242,177	249,234
Total	\$1,068,918	\$817,388	\$730,493	\$764,445	\$975,363
Number of New Residential Units:					
Single	2,149	2,115	1,336	2,120	3,719
Multiple	12,531	11,176	7,361	5,245	9,182
Total	14,680	13,291	8,697	7,365	12,901

Source: *California Construction Trends*, Security Pacific Bank.

CITY OF LOS ANGELES

Major Building Permits 1976-77^①

Project	Owner/Builder	Permit Valuations
Apartments (180)	Harbor Towers, Inc.	\$ 6,250,000
Apartments (872)	Mayer Construction Corp.	15,100,000
Industrial	Trans World Airlines	4,200,000
Office buildings	Bank of America	31,100,000
Schools	Los Angeles Unified School District	69,100,000
Hospital	County of Los Angeles	8,000,000
Office buildings	Blue Cross of Southern California	23,400,000
Juvenile Hall	County of Los Angeles	12,000,000
Medical offices	Les Jones	6,057,000
Hotel	Johnson Properties	5,660,000
Parking structure	Bank of America Realty Trust	5,300,000
Apartments (200)	C-d Investment Co.	17,535,000
Stores	Carter Hawley Hale Inc.	5,300,000
Industrial	Bureau of Public Buildings	36,000,000
Office building	Watts Health Foundation	4,939,345

^①Through February 1977.

Source: *California Construction Trends*, Security Pacific Bank.



Aerial view of Port of Los Angeles, covering 7,025 acres of land and water area. The Port's trade area includes more than 11,000,000 consumers in immediate area of Southern California and an extended area as far east as Indiana; north to Minnesota.

Transportation

Los Angeles is one of the world's leading transportation centers, containing extensive facilities for the movement of people and goods to domestic and overseas destinations.

The major air terminals in the Los Angeles area are Los Angeles International Airport, Ontario International Airport and Hollywood-Burbank Airport, a private terminal operated by Lockheed Aircraft Corporation. Lockheed has announced its intention to sell or close the airport, and negotiations are presently underway with the Cities of Burbank, Glendale, and Pasadena.

Los Angeles International Airport, owned and operated by the Department of Airports of the City of Los Angeles, is one of the largest and most modern air terminals in the nation. There are direct flights to the largest cities in 43 of the 50 states. The terminal is served by 37 scheduled airlines (including 18 foreign carriers), 13 supplemental (charter) airlines, and three commuter airlines.

The Los Angeles Department of Airports reports that air traffic at LAX during 1976 included 25 million passengers and 1,486 billion pounds of air cargo, compared with 12.6 million passengers and 396 million pounds of air cargo in 1965.

Ontario International Airport became a part of the Los Angeles Department of Airports regional system with the signing of a joint powers agreement in 1967. Ontario International is served by Air California, American Airlines, Continental Airlines, Golden West, Hughes Airwest, Pacific Southwest Airlines, TWA, United, and Western. In 1975 a new \$2 million FAA Terminal Area Radar Approach Control (TRACON) facility was opened at Ontario. Ontario TRACON provides radar services for pilots using 17 airports in a 2,000 square mile area across three counties.

As a part of the development of the Los Angeles regional airport system, the Board of Airport Commissioners adopted a resolution in 1968 to acquire 17,500 acres of land in the vicinity of the Palmdale Airport for the creation of a proposed interconti-

Los Angeles International Airport



nemental airport. Most of this land has since been acquired, and plans are proceeding for the development of the Palmdale facility.

Also under the control of the City's Department of Airports is a general aviation airport at Van Nuys, one of the busiest in the nation.

Three transcontinental rail lines serve the City: the Atchison, Topeka & Santa Fe, the Southern Pacific, and the Union Pacific.

Ocean-going commerce is a major contributor to the City's economy. There are two major adjoining port complexes south of the City, the Port of Los Angeles and the Port of Long Beach. More than 5,000 vessels call annually at these ports. The principal traffic is with Hawaii, the Orient, South America and Australia.

The Port of Los Angeles is administered by the Los Angeles Harbor Department, an independent self-supporting City department under control of a five-member Board of Harbor Commissioners. The Port represents an investment of \$270 million in property and facilities.

The Port of Los Angeles covers more than 7,000 acres of land and water area and has 28 miles of waterfront. Among its facilities are container terminals, a bulk cargo handling and loading complex, a supertanker terminal and shipyards with giant ways and floating drydocks. It is capable of handling 85 ocean going vessels simultaneously. The new Los Angeles Container Terminal includes a 1,000-foot wharf and accommodates five to six thousand 20 and 40-foot shipping vans, depending on size.

In fiscal 1976 the volume of marine cargo handled by the Port (28,808,072 tons) reached the second highest statistical cargo tonnage in over 50 years. Employment in the immediate Port area increased 2½ percent over the previous year, to a level of 17,285 workers in eleven categories.

The first of California's freeways was constructed in Los Angeles. Today it is part of a network of fifteen freeways which criss-cross Los Angeles County. These include Interstate 5, the principal west coast route from the Mexican border to the Canadian border, and Interstate 10, a major highway joining the east and west coasts. These two major routes intersect in downtown Los Angeles.

Mass transit is currently provided entirely by bus. The Southern California Rapid Transit District (SCRTD) operates the largest system, with more than 2,200 miles of local and interurban routes serving 160 cities and communities.

Education

The City of Los Angeles is served by seven unified (grades K-12) school districts and two elementary school districts. However, most of the City lies within the boundaries of the Los Angeles Unified School District, which also serves portions of neighboring communities.

As reflected in the following tabulation, enrollment in the Los Angeles Unified School District has been declining in recent years, dropping from 662,633 in the 1972/73 school year to 601,429 in 1976/77.

LOS ANGELES UNIFIED SCHOOL DISTRICT Student Enrollment

School Year	Enrollment
1972/73	662,633
1973/74	612,638
1974/75	607,206
1975/76	608,998
1976/77	601,429

Source: Los Angeles City Unified School District.

Los Angeles city limits extend into three community college districts. The Los Angeles Community College District operates nine community colleges, the largest of which is Los Angeles City College (1976 enrollment 23,514). The El Camino Community College District administers El Camino College in Torrance (enrollment 24,388), and the Santa Monica Community College District operates Santa Monica College at Santa Monica (enrollment 15,650). All these institutions offer a two-year program leading to a terminal certificate in a variety of technical and vocational fields, or qualifying the student for transfer to a four-year degree institution in the junior year.

Among the four-year colleges and universities in the City of Los Angeles are the University of California at Los Angeles (UCLA), the University of Southern California (USC) and California State University at Los Angeles, Occidental College, and Loyola Marymount University. Elsewhere in the metropolitan area are the California Institute of Technology at Pasadena, the Claremont Colleges, Pepperdine University, Whittier College, and state universities at Long Beach, Northridge, Pomona, and Dominguez Hills.

Recreation and Parks

The City has more than 200 parks and recreation centers operated by the Los Angeles Recreation and Parks Department, including sixteen regional parks of 50 acres or more. One or more of them is located in almost every geographic area. The most popular of these is 4,053-acre Griffith Park, the largest park within the boundaries of any American city. It is located within a ten minute drive of downtown Los Angeles and less than a 45-minute drive from any part of the City.

An outstanding attraction is Griffith Park Observatory. Its planetarium theater offers several scientific shows daily almost every day of the week; its Hall of Science includes more than 100 exhibits and a twin telescope is open to the public on clear evenings.

Fourteen miles of beaches, 50 swimming pools, seven park lanes, a seven-acre sunken rose garden and a host of cultural and historical sites are among the many facilities operated by the City Recreation and Parks Department.

The 110-acre Los Angeles Zoo has more than 3,300 mammals, birds, and reptiles on display. Its unique continental design; 80 acres of exhibit areas; and Children's Zoo, make it a popular family attraction.

In order to augment park facilities in the city's urban core, the city is joining with the County, the State, and the County Flood Control District to acquire the former Pan Pacific Auditorium in West Hollywood and convert the property to a 28-acre park. The City's contribution is \$1.6 million.

Los Angeles Zoo



LOS ANGELES COUNTY

Los Angeles County was created by an act of the State Legislature in 1850 as one of California's 27 original counties. It covers an area of 4,083 square miles in the south coastal part of the State. The county is bordered on the east by Orange and San Bernardino Counties, on the north by Kern County, on the west by Ventura County, and on the south by the Pacific Ocean. About half of the County is mountainous, the highest elevation being Mt. Baldy (10,065 feet). Part of the Mojave Desert lies in the northern part of the County. The Los Angeles basin (including a portion of Orange County) contains about one-third of the state's entire population.

The State Department of Finance estimated Los Angeles County's mid-1976 population at 7,008,400. From 1970 to 1974 the county's population declined by more than 110,000 persons. Since 1974 the decline in population appears to have been arrested, however, with net increases being posted in 1975 and 1976.

There are 78 cities in Los Angeles County. In addition to the City of Los Angeles, other major cities include Long Beach (population 355,000), Glendale (135,000), Torrance (133,000) and Pasadena (108,000).

County Government

Los Angeles County was originally established as a general law county. In 1913 it became a charter county. The County is governed by a five-member board of supervisors who are elected by district to serve four-year alternating terms at elections held every two years. The assessor, district attorney and sheriff are also elected officers. All other departments are headed by appointed officials.

The County Board of Supervisors also serves as the governing board for more than 250 special purpose districts serving various areas within its boundaries, including the County Flood Control District which encompasses all but three small areas of the County.

In addition, the County contracts to provide various municipal services to incorporated cities within its boundaries under the Contract Services Plan. The

plan was established in 1954 when a series of new city incorporations began. It was designed to allow the new cities to make provision for municipal services without incurring the cost of establishing numerous city departments and facilities.

Under the plan the County will provide any or all such municipal services within a city at the same level as provided in unincorporated areas, or at such higher level as the individual city may specify. Services are provided at cost.

Commerce and Industry

Los Angeles County is one of the three metropolitan areas in the nation with annual retail sales exceeding \$20 billion. More major industrial and financial corporations are headquartered in Los Angeles than in any other area in the west. As a result of the area's extensive natural and human resources it has a well diversified economy.

Los Angeles County is the nation's third-largest manufacturing center, and accounted for nearly half of the state's manufacturing employment in 1976. Aerospace is the county's largest manufacturing employer, with over 230,000 workers in 1976. Aerospace employment is composed of four industries—aircraft and parts, electrical equipment, instruments, and ordnance. These industries have been important in the county's economy for over 30 years.

Long recognized as the center of the nation's motion picture industry, Los Angeles County has become the center of the U.S. television industry as well, due to the fact that the two industries utilize similar production facilities and the same specialized labor force.

Extensive urbanization of the county since World War II has caused a steady reduction in available agricultural acreage. As a result, agricultural activity in Los Angeles County has become more specialized, with emphasis on crops of relatively high value. In 1975 the county led the state in revenues from the production of nursery products, accounting for 14 percent of total output in California. Gross cash receipts for agricultural production in recent years are summarized as follows:

LOS ANGELES COUNTY—CROP VALUES

1971	\$123,205,000
1972	120,667,000
1973	136,802,000
1974	158,369,000
1975	152,572,000

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